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Railroad Competition a New Problem Facing Furniture Warehousemen

*National Association Decides to Protest to Pennsylvania
Against Continued Operation of Grayhound Vans in Long Dis-
tance Moving—Discussions at Mackinac Convention Disclose
Chaotic Competitive Conditions, and a Solution Will Be Sought*

By KENT B. STILES

RAILROAD competition, chaotic competitive conditions in the household goods storage business, and long distance moving were the subjects principally discussed at the tenth semi-annual meeting of the National Furniture Warehousemen's Association. Attended by approximately 250 delegates and invited guests, the convention was staged, July 14-19, at the spot where the organization came into existence in 1920—the Grand Hotel on Mackinac Island, Mich. The highlights, presented more in detail on ensuing pages, were, briefly, these:

1. Reports and discussions disclosed to the members that the Pennsylvania Railroad controls the Grayhound bus lines and that Grayhound has placed in operation a long distance moving van service which threatens to rival the National's Allied Van Lines and to take business away from the National's members. It was voted to send a resolution of protest to the Pennsylvania. The container car service of various rail carriers was considered with relation to the possibility that its development in the transportation of household goods might be a factor adverse to the industry's packing and shipping business.

2. Price cutting, violation of ethics and disregard of the principles laid down in the National's code of practice were declared by speakers to be rampant in many cities where local associations exist. Radical corrective efforts were urged as a means of safeguarding the struc-

ture which the National has built. Expulsion was suggested for members refusing to "play the game" in their home communities. A special committee representing the directors and the code of practice committee will consider the ideas advanced, with the thought that "teeth" should be placed in the code. As a corollary to this situation a special committee of the directors will work on a plan to effect uniformity of local association machinery so that the National may have more direct tie-up.

3. The Allied Van Lines, with 262 hauling and non-hauling agents, with 126 painted vans on the highways, and with 1500 people selling its service through the agents, was shown to be doing a gross business of more than a million dollars a year and to have no debts. Martin H. Kennelly, Chicago, was reelected president, and A. V. L. extension into the southeastern and Rocky Mountain regions was reflected by the action of the organization's directors in according vice-presidencies to those districts; and it was indicated that the southwestern regional members would have A. V. L. service in operation within a few months. A new form of transit insurance was adopted which will give automatic coverage of all loads carried on A. V. L. vans.

The full reports and discussions will be published in the National's official organ, *The Furniture Warehouseman*. Meanwhile a summary of what took place follows:



On this and ensuing pages are published N. F. W. A. convention snapshots at Mackinac Island in July. Above, Joseph H. Ring and W. R. Hoag, Chicago, and Fred J. Baier, Detroit. 2. J. H. Warren, Toronto; G. L. Walt, Lansing, Mich.; James D. Dunn and Fred J. Baier, Detroit. 3. E. C. Shaner and F. A. Wall, Chicago, and W. F. Coakley, Milwaukee. 4. W. E. Lee, St. Louis; W. W. Warren, Oklahoma City; P. M. Stevens, St. Louis; John P. Pfeiffer, Grand Rapids, Mich. 5. Daniel Healy and A. H. Hollander, Chicago; Schuyler C. Blackburn and Joseph C. Wirthman, Kansas City, Mo. 6. F. K. Geiger, Philadelphia; William A. Schiffman, Brooklyn; J. L. Tomlinson, Philadelphia. 7. William R. Palmer, New Haven, Conn. 8. W. R. Hoag, Chicago. 9. James M. Walker, Memphis, and William I. Ford, Dallas. 10. T. F. Cathcart, Atlanta.

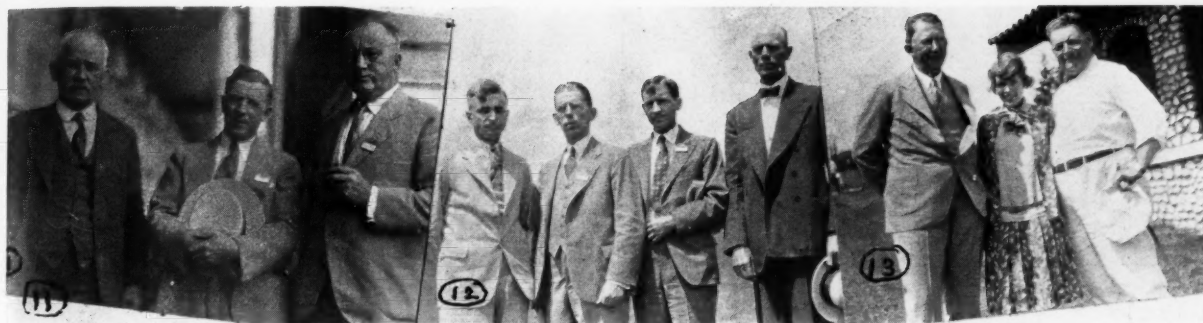
Officers' Reports

WIELDING the gavel which the American Warehousemen's Association presented to him at the end of his term as president of that organization some years ago, James F. Keenan, Pitts-

burgh, president, opened the Mackinac convention with the startling announcement that during the night some of the delegates had been robbed by sneak thieves who had entered their rooms and departed with pocketbook contents

ranging in sums as high as several hundred dollars.

"President Hoover and I found many problems awaiting solution when we assumed our respective offices," Mr. Keenan said, introducing his report, "and



11. George Weimar, Elizabeth, N. J.; H. H. Hardy, Lansing, Mich.; F. E. Lampson, Minneapolis. 12. A. V. Cresto, Kansas City, Mo.; O. F. Paisley and C. G. Gardner, Chicago; Frank E. Orcutt, St. Louis. 13. George C. Dintelmann, St. Louis; Peggy Anderson of the Grand Hotel; Joseph H. Meyer, Chicago.

although we have been working independently of each other we both seem to be making progress."

Unrest, distrust and dissatisfaction prevailed in some localities, due to scarcity of storage and competition in drayage, Mr. Keenan said. Alluding to long distance hauling and the Allied Van Lines, he gave the delegates this information:

"The Pennsylvania Railroad Co. have a controlling interest in the Grayhound bus service and have added to it a long distance moving van department. This network of activity embraces coast to coast in bus service and involves a large invested capital. They are now real competitors of ours and are making considerable headway and will make more if we do not awake promptly and meet this situation, which is serious to the warehouse industry as a whole.

"If the Pennsylvania Railroad can engage in long distance removals it will not be long before they will have a hook-up with furniture warehouses, similar to the railroad-controlled storage space they now have in connection with their various terminals for merchandise and at rental rates not open to public view.

"Years ago the American Warehousemen's Association, as far as I can recall without protest except from me, who was a 95 per cent household goods man, permitted the railroad companies to have their representatives at their conventions and later admitted them to membership. Now they have railroad-controlled merchandise warehouses in various cities as competitors. In my opinion they got just what they deserved."

The National, with a membership in excess of 850 firms operating 2500 warehouses, and with 50,000 owners and executives and employees, Mr. Keenan declared, was "splendidly equipped to plan for long distance removals business on a mass scale, exchange bureaus functioning through such organization making this possible," and "with such a gigantic combination it is not likely we will stand by and permit anything to get away from us that we feel justly belongs to our particular line." He added:

"Now, if the Pennsylvania Railroad people feel that it is wise to disturb a relationship that has gone along harmoniously without interruption for over half a century, the responsibility for so doing rests with them and certainly not with us."

Ralph J. Wood, Chicago, the secretary, made only a brief report, owing to the death of his mother a few days prior to the convention. "Added chaos to relations between competitors," Mr. Wood declared, was serious in some cities and "calls for radical action of some kind in order to correct it," the members locally having exhausted their efforts in that direction. He continued:

"How far shall we go into local situations? Representatives from the association have met and advised with members in some of the cities; obtained promises from all members to be 'good' in the future. This 'being good' lasts about a month and there is new call for help. Just talking and advancing theories of good business manners do not seem to be permanently effective. Shall more drastic action be taken? If so, what shall it be?"

The secretary declared that the outstanding feature of the past half-year had been "the successful inauguration of the Allied Van Lines."

Mr. Wood announced seventeen new membership affiliations. These appear on page 11.

Reporting as executive secretary, Henry Reimers, Chicago, emphasized what he said was a subject "most pertinent" at this time—"Over-Construction of Storage Space."

Declaring conditions serious in some sections and suggesting that members "should be guided by intelligent information in actual needs before adding space," Mr. Reimers pointed out five ways in which he believed the National might function to regulate warehouse construction:

1. The association should have current information on available space and on trends.
2. When a member contemplates adding space he should report, in advance, his reason therefor.
3. The president should then appoint

a committee of disinterested warehousemen, not of the same city, to confer with the member.

4. This committee would render confidential opinions as to the advisability of added construction.

5. The association would then pass the opinion on to the member, and it would be left for him to decide whether to add space.

Such advisory supervision could accomplish much good, Mr. Reimers believed, and "eventually the association's stamp of approval should bear a great deal of weight."

Warehouse construction by non-members "should also be a subject for survey and analysis," he declared.

"There are those in this industry," he concluded, "who insist on inflicting injury on others in such a way that it retards progress. The association should assume some definite influence over such; the day of every man for himself is of the past."

The report of Charles S. Morris, New York, as treasurer, showed a balance on hand, as of June 30, of \$16,690.60.

Regional Conditions

REPORTS were submitted by the four divisional vice-presidents—eastern, C. J. Hamilton, Baltimore; southern, James M. Walker, Memphis; central, Sidney S. David, Chicago; western, Malcolm A. Keyser, Salt Lake City.

For the East, Mr. Hamilton said that the business situation was about on a par with that of six months previously, with improvement in some sections and sluggishness in others; collections were rather slow, with the public demanding "considerably more credit" for moving and packing service. Packing seemed on the decline, with little hope for improvement. One satisfactory condition noted, he said, was a decline in new warehouse construction, whereas past over-expansion had made it difficult to correct competitive conditions.

"Careful consideration of our present facilities" rather than building more and finer warehouses should be the aim, Mr. Hamilton declared. He attacked price cutting, saying it lowered standards, and urged adoption of a policy of maintain-



14. Henry C. Goodman, Birmingham; Jack Kessel, Chicago; Ben S. Hurwitz, Houston; James Kane, Jr., Chicago. 15. G. K. Weatherred, Dallas, and W. J. Thompson, Toledo, and what have you? 16. M. H. Beakes, New York City; Harman W. Tanner, Detroit; A. W. Hillier, Springfield, Ill.; August Santini, New York City. 17. Don C. Welch, Cincinnati; W. R. Hoag, Chicago; J. H. DeBoer, Syracuse; R. O. Jackson, Indianapolis; F. X. Zech, Detroit. 18. Joseph F. White, Pittsburgh; E. M. Bond and E. T. Chadwell, Nashville; J. A. Harrison, Pittsburgh. 19. S. M. Green, Jr., Atlanta. 20. Willard Eldredge, Atlantic City; E. J. Lanigan, Jacksonville; George Sebold, Atlanta; J. R. Walker, Birmingham. 21. Joseph H. Troyer, Chicago; Frank E. Orcutt, St. Louis; Frank H. Hebard and William M. LeMoyné, Chicago. 22. T. L. Morton, Newark, N. J.; George E. Turner, Denver; William R. Kissick, Cleveland.

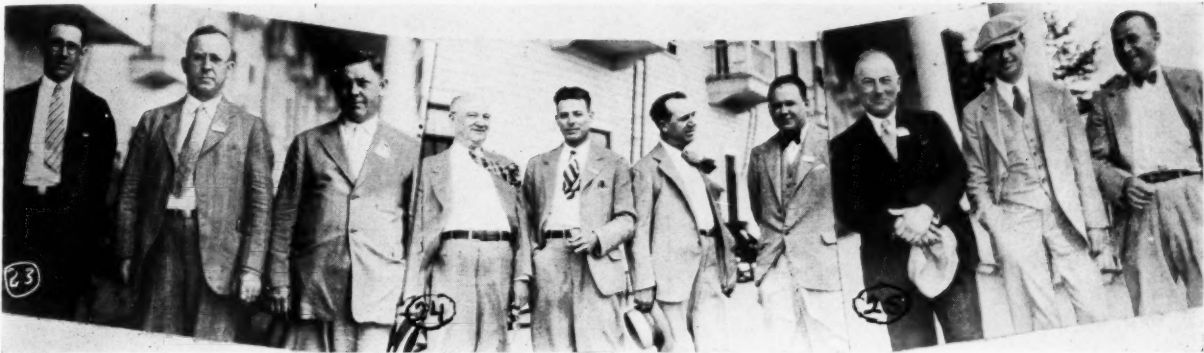
ing a uniform basis for charging. He added that two discordant elements were the leasing of fairly desirable buildings by irresponsible movers, and a tendency on the part of N. F. W. A. members "to drift away from standard size vans as a basis for rates. He urged

full support of the Allied Van Lines.

Reporting for the South, Mr. Walker called attention to recent changes in the mode of the people's living, this in turn having brought about "a decided readjustment in the operating methods of the household goods storage business," this

including "new and heretofore unthought of side lines" which were offsprings of the parent business.

With some roads nearly perfect in the South and others impassable, Mr. Walker pointed out, "there can be no set tariff for van operations in such



23. William B. Magruder, Baltimore; George J. Hubert, Pittsburgh; Joseph A. Mrazek, St. Louis. 24. Lewis H. Tanner, Detroit; Godfrey E. Santini, New York City; P. A. Dolle, Columbus; E. K. Morris, Washington, D. C. 25. Theodore W. David, Chicago; Harry Hurwitz, Houston; Jack Kessel, Chicago.

territory, except of course where roads can be relied upon." He believed that extension of A. V. L. into the southeast "will help solve our long distance moving problem." People appeared to be moving into smaller living quarters, thereby using less furniture, and the warehouses in the South were not getting the same volume of storage as before. "Unscrupulous and price cutting competitors" were an adverse factor, he said, and the standard companies were "sometimes confronted with the problem as to whether it is best to hold the prices for their service to the place where they belong, and thereby let a considerable amount of the business go to the little cut-price companies, or whether it is best to compete with these companies in order to maintain volume and keep this business." Such a problem, he declared, must be worked out in the various localities where complications arise.

Mr. Keyser's report was written largely around replies to questionnaires which he had sent to members in the western division, with regard to storage, packing, moving, collections, etc. The replies showed conditions varying widely. Perhaps the composite opinions could not be regarded as fairly representative of conditions, as relatively only a small percentage of the members responded, of all who received the questionnaires. Mr. Keyser deplored this apparent lack of interest.

Reporting for the central division, Mr. David said the past six months had been rather dull, but he believed that this was only transitory and he was hopeful as to the future; meanwhile the warehousemen must prepare, with efficient management and stoppage of leaks. One of the solutions to better business ahead lay in mergers, Mr. David thought, as this would be one way to cut off unfair competition and to make profits. "It is the trend of the times and we should give it some thought," he concluded.

Membership Obligations

ONE of the convention features, evoking considerable discussion and leading to a decision to endeavor to com-

New N. F. W. A. Members as Announced at Mackinac

American Transfer Co., Cedar Rapids, Iowa.
Carstensen Transfer & Storage, Clinton, Iowa.
Dakota Transfer & Storage Co., Minot, N. D.
Hartford Despatch & Warehouse Co., Bridgeport, Conn.
Hartford Despatch & Warehouse Co., Springfield, Mass.
Helmus Bros., Inc., Grand Rapids, Mich.
Krebs Bros. Drayage Co., Clearfield, Pa.
Lynch Transfer & Storage Co., Cedar Rapids, Iowa.
Lyon Van & Storage Co., Fresno, Cal.
O'Neill Bros. Transfer & Storage Co., Peoria, Ill.
Rensch Fireproof Warehouse, Wilmette, Ill.
Rowe Transfer & Storage Co., Knoxville, Tenn.
Tilton Delivery & Transfer Co., Delaware, Ohio.
Walker Storage & Van Co., Atlanta.
Walker Storage & Van Co., Birmingham.
Walker Storage & Van Co., Jacksonville.
Washington Storage Co., Miami Beach, Fla.

pel members to abide by ethics and standards, was a paper by Charles S. Morris on "The Price of a Great Asset." This address by Mr. Morris, who was the National's first president, is, with the consent of the association's officers, published in full elsewhere in this issue of *Distribution and Warehousing*.

In substance, Mr. Morris held the "great asset" to be membership in the N. F. W. A., and the "price" to be "genuine and sincere cooperation, nationally and at home."

"The National association expects, and

has a right to expect, a full measure of cooperation from those who knock at its door and seek admission, coupled," he declared, "with a full realization that cooperation is more than a mere word and more than a mushy sentimentality; that it is an economic necessity just as requisite locally as it is nationally. Cooperation has rendered such invaluable service to us locally that it cannot and must not be discontinued now. . . . What I am concerned in is to crystallize that thought into practice—into being—to create of the thought a living, pulsating, virile force."

Walter E. Sweeting, Philadelphia, moved that the principle set forth by Mr. Morris be endorsed and that the paper be circulated, in pamphlet form, to the members. This motion was adopted.

William I. Ford, Dallas, a member of the board, suggested it was the proper time for the members to go on record as to whether they desired the directors to compel local cooperation, supplementary to the National's code of practice provisions; he said he so interpreted the adoption of Mr. Sweeting's motion.

Mr. David, who is chairman of the code of practice committee, believed that teeth should be put into the code so that members would be told they "must," in stead of "should," cooperate, with the directors having power to expel members found not to be cooperating.

Martin H. Kennelly suggested that Mr. Morris's paper be referred to the directors for study, with the board to bring back a recommendation.

President Keenan indicated that he would refer the situation to a committee of three—Mr. David, Mr. Ford and F. L. Bateman, Chicago.

Mr. Bateman declared the National itself to be "the greatest whip you have" to clean up local situations. E. B. Gould, San Diego, thought that the code of practice already covered conditions; "the teeth are there if the local associations will work their jaws," he declared, and the directors would back them up if they did.

The subject dovetailed into discussion which followed reading of a paper on
(Continued on page 13)



See top of opposite page for caption information.

On opposite page: 1. F. A. Sheridan, Duluth; R. A. Ford, Omaha; C. D. Coggeshall, Tulsa; Walter J. Riley, Chicago. 2. L. J. Daniels, Akron; Ralph J. Wood, Chicago, the National's secretary; James F. Keenan, Pittsburgh, the National's president; Robert M. Ferguson, New York City. 3. Thomas Skellet, Jr., Minneapolis; George Hill and Louis Schramm, Jr., New York City; Paul A. Rensch, Evanston, Ill. 4. B. F. Kirschenbaum, New Rochelle, N. Y.; N. E. Weiner, Cleveland; W. F. Walsh, New York City; C. F. Cook, Buffalo. 5. Standing, Harry S. Beebe, Jackson, Mich.; Jack Joyce and J. J. Barrett, Chicago; L. R. Blodgett, Grand Rapids, Mich. Front, C. J. Foster, Cadillac, Mich., and Andrew DeGroot, Grand Rapids, Mich. 6. Joseph H. Troyer, Chicago; John O'Connor, Newark, N. J.; George N. Winkler, Far Rockaway, N. Y.; Frank H. Hebard, Chicago. 7. George A. Rutherford, Cleveland; Malcolm A. Keyser, Salt Lake City; Frank M. Brock, Glendale, Cal.; Ernest H. Milligan, New York City. 8. Morrison C. Wood, Chicago. 9. D. B. Travis, Steubenville, Ohio; W. Lee Cotter, Akron; G. A. Wright, Marion, Ohio; W. R. Garrison, Akron. 10. Frederick Seeburg, Chicago; E. L. Valentine, Aurora, Ill.; Henry Reimers, Chicago, the National's executive secretary; George E. Butler, New Orleans. 11. E. B. Gould, San Diego, and T. Y. Leonard, Detroit. 12. Thomas F. Murray and Joseph P. Donnelly, New York City; W. A. Morton, Newark, N. J.; William J. Montgomery, Hempstead, N. Y.

"Associations" by James D. Dunn, Detroit, an N. F. W. A. director, chairman of the committee on association relations, and president of the Michigan F. W. A. If the National was to be a real power in the industry, he declared, its policies must be kept in force locally in the various communities.

"The acid test," Mr. Dunn said, "is our relations in our local association. In the heat of competition misunderstandings will happen. If the members have the will to cultivate the proper spirit, and the desire to be honorable with their fellow members, these disputes can be settled without difficulty and to the benefit of every member.

"Every warehouseman realizes that his particular business is affected advantageously or adversely by the operations of his local competitors; that the only safeguard for as near an ideal condition as it is possible to expect, can be attained by joining the local men together in some kind of an association; and that it is good business policy for him to give the same personal effort to the association as to his own private business. A proper understanding and working together along right lines mean better relations with the public and increased revenues."

Certain N. F. W. A. members had never joined local associations later organized in their communities, Mr. Dunn pointed out during discussion, and he asked whether the National did not have the right to control such situations in view of the fact that those members were enjoying N. F. W. A. benefits without contributing to the expenses of the locals.

The set-ups of various State associations were explained by speakers and it was brought out that there was no uniformity. Nathan L. Goodman, Jersey City, moved that a committee be appointed to consider the Pennsylvania F. W. A. chapter machinery with a view to having this system followed by State associations generally and thus give the National more direct contact with locals. Mr. Dunn thought the National's board should whip the various suggestions into something definite and present it at a coming convention. Mr. Goodman agreed to this, and it was voted to let Mr.

Dunn's committee, which will be enlarged, handle the situation.

Fur Storage—Fire Protection— Container Cars

EARL C. IREDALE, Evanston, Ill., sent questionnaires to the National's members in preparing his paper on "Fur and Garment Storage," and the replies indicated 36 companies engaging in this line. Four have cold storage equipment, while the others, he found, use fumigation vaults for eliminating the moth hazard and then store in reinforced concrete vaults of one kind or another, and the business for the most part has been developed within the past four years.

"We believe that it augurs well for the future of this department, from the standpoint of profitability gained from practically no added warehouse labor costs," Mr. Iredale added, "when we note that the great majority of these departments are, in the short space of one to three years, showing satisfactory profits. Only two say they show no profit; a few others that it is too early in their experience to answer accurately. Without exception the reports show that the space becomes more profitable when devoted to storage of furs and garments rather than to household goods."

Declared valuation was found to be the basis for charging, with 2 per cent generally favored but with a range of from 1½ to 5 per cent, with wholesale rates offered to furriers, cleaners and dyers, Mr. Iredale said, and the warehousemen nearly always guaranteed against fire and theft and wrote insurance to cover the risk, the warehousemen absorbing the insurance. He concluded:

"Here is a side line which, in most sections and in cities both large and small, appears from virgin experience to be a profitable venture. It makes use of space which otherwise would be bringing in lesser if any returns and at practically no additional labor costs and with a negligible risk of loss or damage. This activity can provide us contacts with a list of potential moving, packing and storage customers, highly valuable, obtainable not at a cost but with a profit."

H. L. O'Brian, Chicago, of the American District Telegraph Co., explained the A. D. T. "phonette" alarm system for protection of furs and garments. He gave the members a general idea of the A. D. T. burglar protection and automatic fire protection, operating in 225 cities and already being used, he said, by 171 of the National's members.

"Development of Container Service for Rail Shipments" was outlined by Graham C. Woodruff, president of the L. C. L. Corporation. Without a single claim having been filed, he said, 250,000,000 tons of merchandise freight had been transported in container cars.

These cars were adaptable to household goods movement, he said; this had been successfully experimented with, even pianos being shipped, and there had been no claims.

If the National's members were interested, Mr. Woodruff stated, the owners of the patent would be glad to work on plans for a lightweight container car specially for household goods and exclusively for the members' use, if it could be shown that a sufficient volume would warrant it.

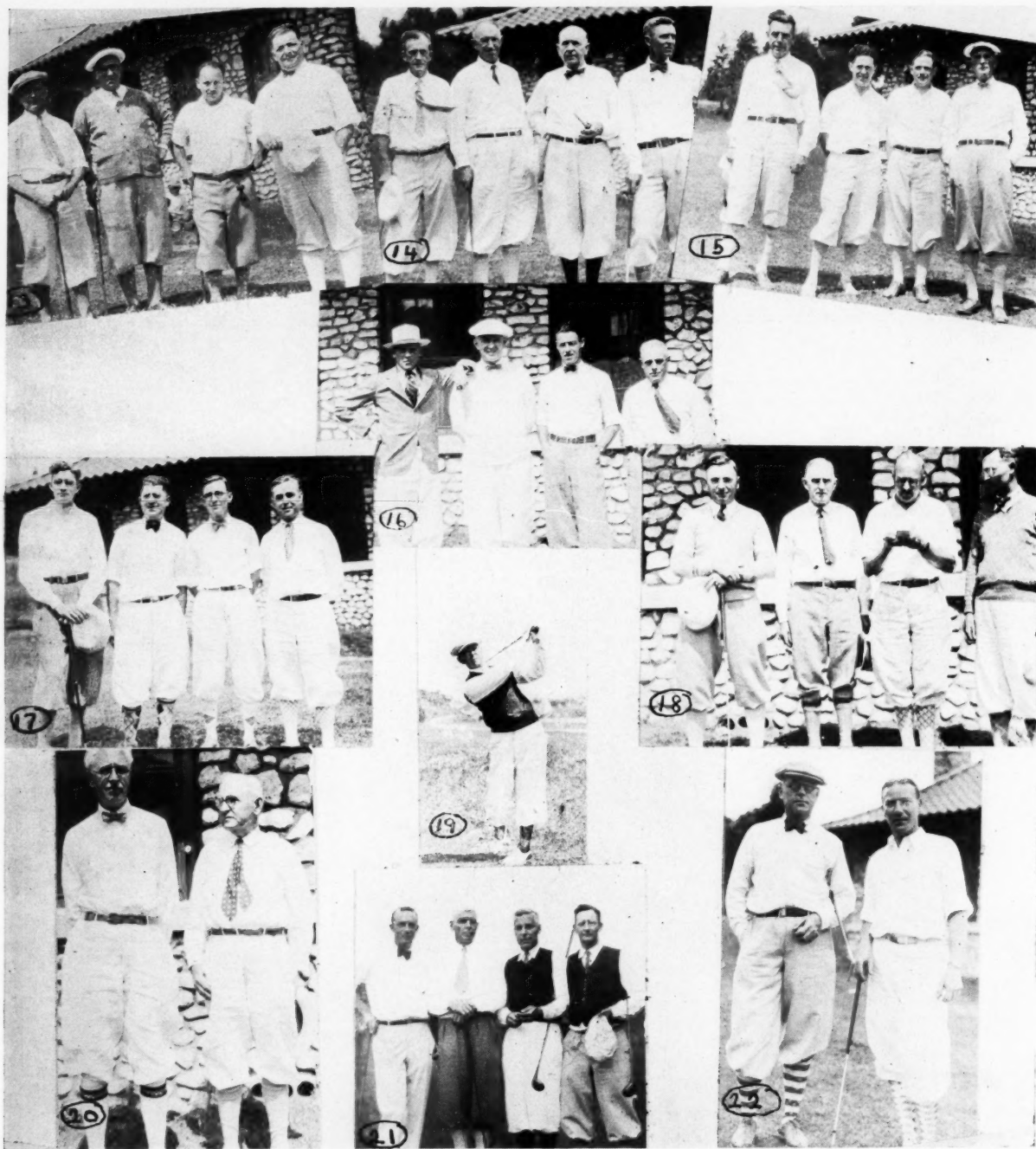
The speaker was asked various questions by warehousemen looking into the future. In answer to one, he conceded that container cars would do away with some of the profits on warehousemen's packing, but he declared that the industry could work out its tariffs in such a way that the loss of packing revenue would be made up for through the difference between the charge to the customer and the warehouseman's cost for the use of the container car.

Griswold B. Holman, Rutherford, N. J., discussed the use of containers for goods moving into storage.

Allied Van Lines

WEDNESDAY, the 17th, was "Kennelly Day"—named after Martin H. Kennelly, president of the Allied Van Lines, Inc., the National's long distance motor moving organization—and reports and discussions centered on the plans for further developing this agency.

A. V. L. ended its first ten-months period—Aug. 1, 1928, to June 1—with \$9,995.35 cash in bank, a surplus of \$19,-

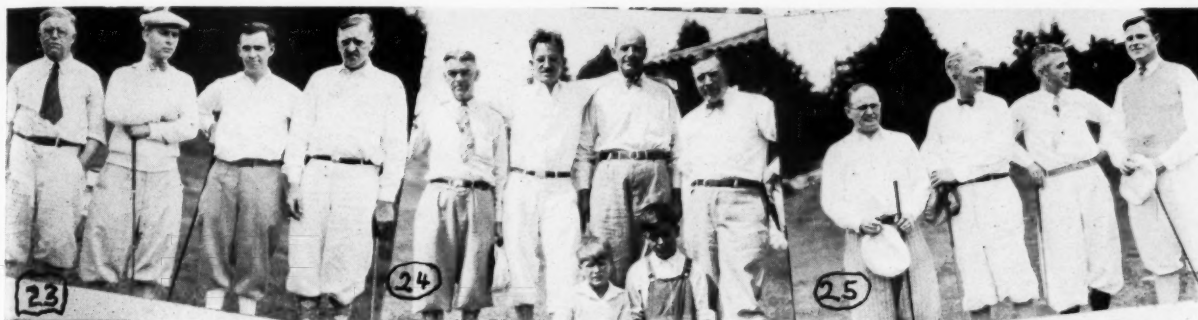


13. Charles S. Morris, New York City. Sidney S. David, L. D. David and Joseph H. Meyer, Chicago. 14. J. P. Ricks, Jackson, Miss.; James M. Walker, Memphis; Daniel P. Bray, Kansas City, Mo.; H. C. Schroeder, Indianapolis. 15. C. P. Strubbe and J. S. Hackett, Chicago; Edgar F. Raseman, Kalamazoo, Mich.; William I. Ford, Dallas. 16. M. W. Niedringhaus, St. Louis; Martin H. Kennelly, Chicago, president of the Allied Van Lines, Inc.; J. A. Squair and E. A. Eulass, Chicago. 17. M. J. Murray and P. A. Wendling, Chicago; Earl C. Iredale, Evanston, Ill.; R. P. Conway, Chicago. 18. Joseph Moron and W. A. Gordon, Omaha; Lewis Parks, Watertown, Wis.; W. A. Maynard, Cleveland. 19. Walter P. Theibault, Chicago, the golf committee chairman. 20. Secretary Wood and President Keenan. 21. E. B. Gould, San Diego; T. Y. Leonard, Detroit; E. A. Murdutch, Pittsburgh; R. C. Lay, Oil City, Pa. 22. C. H. Hamilton, Baltimore; Herbert N. Bragg, New York City.

204.98, and no debts, Mr. Kennelly announced. It has 262 hauling and non-hauling agents and 126 vans painted according to A. V. L. specifications, and has offices in Chicago, New York, Philadelphia, Pittsburgh, Cleveland, St. Louis, Kansas

City, Minneapolis, Denver, Atlanta, and Ames, Iowa. During the ten months 5140 loads were registered; this compares with 7173 loads throughout nearly four years of operation of the National's old inter-city removals bureaus, and the

president said that the percentage of matched loads had correspondingly increased. Tariffs have been constructed successfully, with deviations in only a small percentage of cases. He announced that during the coming year



23. John Stahl, New York City; Nathan L. Goodman, Jersey City; A. A. Botts, Louisville; George Sebold, Atlanta. 24. Edward Prys, Chicago; J. J. Gedert, Detroit; H. A. Johnson, Hammond, Ind.; William Pickard, Toronto. 25. L. E. Stone, Des Moines; J. R. Swanson, Chicago; Don R. Lynch, Cedar Rapids, Iowa; Melvin Bekins, Omaha.

agency fees would be equalized, and that there were plans for issuing receipts for fees already paid and those yet to be paid, so that the agents would participate commensurately should A. V. L. ever be sold.

With the machinery in operation, Mr. Kennelly declared the next step ahead was development of sources of business. He said:

"We probably have 1500 people selling this service through our agents. We probably have 1000 offices where the public can leave orders. No more fertile field can we look for than these same agents with their employees and their offices. Let us work this field to the limit. Let us educate the people who are selling our service and perhaps in the near future put on a publicity campaign to assist our agents in their selling."

Following reports by Barrett C. Gilbert, New York, and Arthur A. Leonard, Detroit, as eastern and central regional vice-presidents of A. V. L., Henry Reimers submitted his report, as secretary and general manager, to the agency's directors, stockholders and agents. He gave figures covering agents, vans painted, revenue, loads matched and registered, commissions, expenses, and profits. These showed that 51 per cent of registered loads had been matched in the ten-months period, and that the New York and Chicago offices had made a sufficient profit to carry the expense of all the other registration offices.

"The gross business being done, over a million a year," Mr. Reimers said, "makes the Allied Van Lines by far the largest long distance removals organization in the world. It is expected that during the next year the agents will do over a million and a quarter of business."

The general manager went into detail regarding personnel, agency follow-up, regional lines, registration offices, round table conferences, advertising, contracts, costs, equipment, collective purchasing, tariffs, selling service, insurance, future development, finances and other fundamentals. He warned against purchase of too costly equipment, on which, he said, "the public and competition will

Kennelly Continues to Head A. V. L.

THE directors of the Allied Van Lines, Inc., at their meeting held in conjunction with the N. F. W. A. convention at Mackinac, elected officers as follows:

President, Martin H. Kennelly, president Werner Bros. Fireproof Storage Co., Chicago.

Eastern regional vice-president, Barrett C. Gilbert, vice-president Gilbert Storage Co., Inc., New York City.

Central regional vice-president, Arthur A. Leonard, president Leonard-Detroit Storage Co., Detroit.

Rocky Mountain regional vice-president, Robert van H. Work, Weicker Transfer & Storage Co., Denver.

Southeastern regional vice-president, George Sebold, vice-president Walker Storage & Van Co., Atlanta.

Secretary and general manager, Henry Reimers, Chicago, executive secretary of the N. F. W. A.

Treasurer, Joseph H. Meyer, president Federal Fire Proof Storage Co., Chicago.

The foregoing are reelections except that the Rocky Mountain and Southeastern are newly-operating A. V. L. districts.

On behalf of the N. F. W. A., Mr. Gilbert presented Mr. Kennelly with a watch and chain. The resolution accompanying it read in part:

"During the several years in which the N. F. W. A. has been engaged in the study and development of long distance motor van service, Martin H. Kennelly has given much valuable time and rendered a remarkably fine service to the association.

"Under his competent leadership marked progress has been made in the solution of major problems all of vital interest to association members. Those engaged in the long distance moving service in particular, as well as the entire membership, recognize in his unselfish devotion and his tireless efforts a most important contribution to association service.

"He is regarded and may well be known as the father of the A. V. L."

Reporting for the Rocky Mountain region, Robert van H. Work, Denver, declared that inquiries had been coming in "at an astonishing rate" since operation had begun two months previously, and that the prospects were bright.

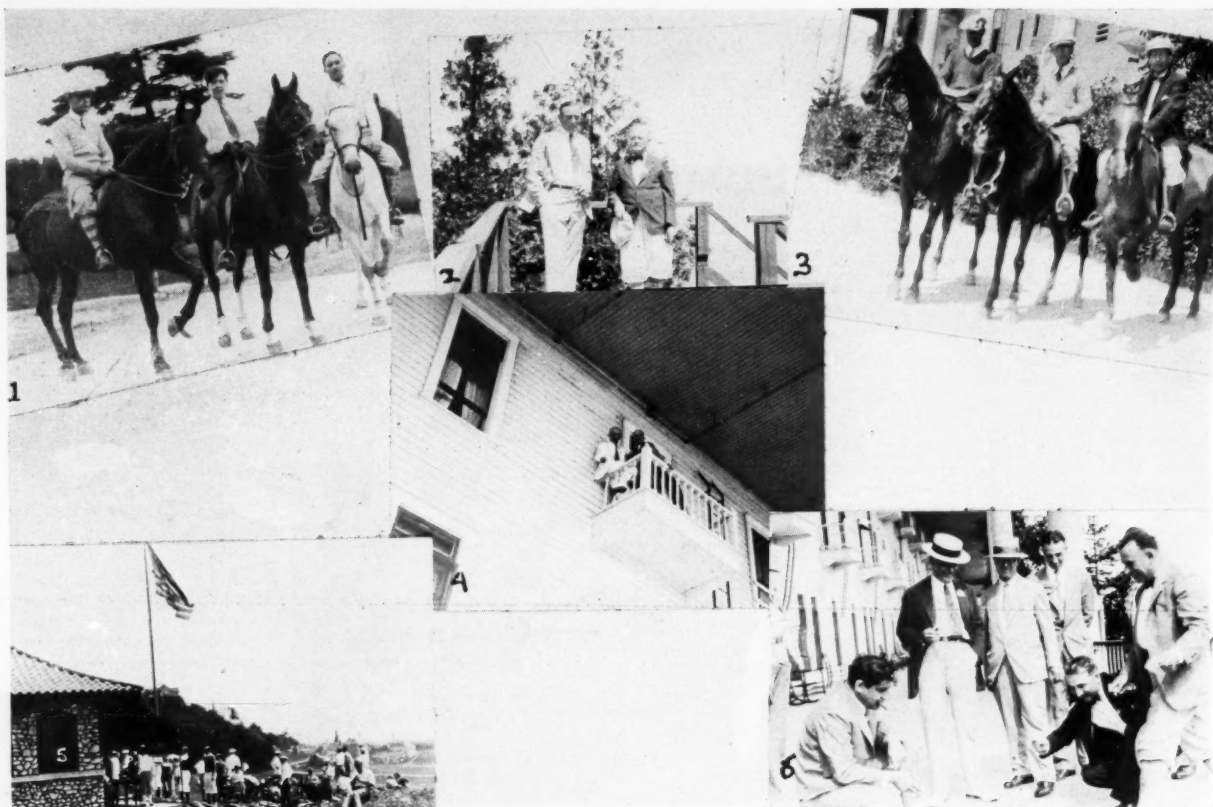
For the Southeast, Sidney Green, Atlanta, where the A. V. L. office had been opened only about sixty days, predicted that every National member in the territory would be affiliated with the agency by the end of the year. Mr. Green is executive secretary of the Southern Warehousemen's Association.

Neill H. Banister, Houston, secretary of the Texas Warehouse & Transfermen's Association, recommended that the National's members in Oklahoma, Louisiana, Arkansas and Texas be given adequate representation, including a vice-presidency, in A. V. L. Early operation was planned in the Southwest, he said; a tariff would be presented at the Mineral Wells meeting of the Texas association in August and would later be submitted to A. V. L., and a registration office would be opened. He favored acceptance, as non-hauling agents, of firms not N. F. W. A. members.

The eastern and central regional tariff committee chairmen reported—Edward G. Mooney, Hartford, Conn., and Wilson

not permit a return on investment." He added:

"During the ensuing year we hope to be able to develop some good comparative information on the relative values of different kinds of equipment. We have not arrived at any standards in equipment and sizes because of indication of changing conditions with respect to utility of the motor truck, and the fact that we have not had sufficient experience, as a company, to make any definite recommendations."



1. Left, Leslie W. Bell, Camden, N. J.; right, Leo H. Blum, New York City. 2. Frederick Stanton, Detroit; Charles D. Strang, Brooklyn. 3. Arthur S. Blanchard, Rochester; Ray M. King and J. H. DeBoer of Syracuse. 4. K. K. Meisenbach, Dallas, and Ben S. Hurwitz, Houston. 5. Golf clubhouse at the first tee. 6. "Come seven, come eleven."

Collin, Chicago. The rates fixed were working out satisfactorily in both districts, their statements showed. Mr. Mooney said a pool van schedule would be prepared, and Mr. Collin anticipated one on small lots.

As general chairman of the A. V. L. publicity committee, Walter Theibault, Chicago, reviewed the mediums which had been used. He stressed particularly uniformity of van-painting to conform to the specifications.

Morrison Wood, central regional publicity committee chairman, offered suggestions on ways of developing sources of new business—for example, contact with apartment rental agents and real estate dealers. He outlined "eleven different bases" on which to determine the warehouseman's advertising appropriations, and urged the staging of exhibits at local business shows. He believed the industry should have an exhibit at the coming world's fair at Chicago.

Morrison Wood said that eventually A.V.L. would have to come to national advertising. The Grayhound organization was planning to spend \$100,000 on national advertising, he declared, and was advertising, in its buses, the new van service. He suggested that any A.V.L. national advertising should be largely in women's magazines having urban circulation.

Walter E. Sweeting, Philadelphia,

said that during the coming year A.V.L. would evolve some plan for national advertising.

Mr. Kennelly, alluding to Mr. Keenan's report at the opening of the convention, said that the president felt that some statement should be sent by the National to the Pennsylvania Railroad to the effect that the carrier, by entering a business which involved packing and shipping of household goods for motor transport, was hurting warehousing, and that the National would look with disfavor upon such activity by the railroad. Mr. Kennelly suggested a resolution, properly drawn, emphasizing the desirability of continuance of friendly relations between the carrier and the National's members.

K. K. Meisenbach, Dallas, suggested that the American Warehousemen's Association be asked to join in any such resolution.

Mr. Keenan declared the situation to be "the most important problem that confronts us." The danger was, he declared, that the carrier was apt to link up with warehouse firms not members of the National.

The president read a letter of protest which he had written to a transportation officer of the Pennsylvania. In it he pointed out that packing household goods required trained men and careful management; he told about the Allied

Van Lines and described this agency's functions, and stressed the financial responsibility of the National's members.

If the Pennsylvania ignored the National's protest, Mr. Keenan pointed out, the industry would face a new situation. He alluded again to the advantage accruing to carriers, in the merchandise warehouse field, through railroad-owned plants and said that the same thing might happen in household goods warehousing because of Grayhound operation. "It will have controlled warehouses in various centers," he said.

Harry C. Zaban, Atlanta, said the Grayhound had already sought a hook-up with a household goods warehouse in his city.

Frank E. Orcutt, St. Louis, suggested that the National's members protest individually to the Pennsylvania's commercial officers in their cities.

William I. Ford, Dallas, said that the National had thousands of vans, trained employees, and warehouses representing billions of dollars in investment; that the Pennsylvania realized all this, and that "we don't need to be too much alarmed," as the National had "the best machinery to meet the economic situation." If the carrier was unfair with regard to rentals, the National could go to the Interstate Commerce Commission "to uncover it," he pointed out. Transportation, to succeed, must be monopolistic, he



1. Oliver Wogstad, Chicago; Jordan Lippner, Yonkers, N. Y.; Morrison C. Wood, Chicago. 2. H. L. Drew and W. C. Rathbun, Toledo; Frank E. Kirby, Columbus; Ray Wagner, Springfield, Ohio. 3. Edward D. Byrnes, Chicago; P. P. Hamman, Decatur, Ill.; Ben S. Hurwitz, Houston; K. K. Meisenbach, Dallas. 4. Robert van H. Work, Denver; Walter E. Sweeting and Frederick L. Harner, Philadelphia; Oliver T. Skellet, Minneapolis.

added, and "I believe the A. V. L. can be monopolistic." He stated that other railroads, some in the Southwest, were paralleling their lines with motor trucks for freight haulage and giving pick-up and delivery service.

A motion made by George C. Dintelmenn, St. Louis, was adopted, to the effect that a resolution of protest be sent by the National to the Pennsylvania. Mr. Kennelly suggested that a resolution in similar vein be sent by each warehouse association in the country.

Insurance—Equipment—Trailers

AS chairman of the A. V. L. insurance committee, Joseph W. Glenn, Buffalo, reviewed the efforts to arrange for a transit policy which would automatically cover all shipments, and announced that such a policy had been obtained from Cass, Tierney & Johansing, Los Angeles and New York, which has handled most of the National's various forms of coverage in the past. Under it, the operation of A. V. L. will make insurance synonymous with haulage. Mr. Glenn explained the policy's features, one of which is that a thirty-days' clause covers fire insurance in the customer's home or in destination warehouse.

On motion by A. V. Cresto, Kansas City, the Glenn report was adopted, thus endorsing acceptance of the C. T. & J. transit policy.

W. G. Retzlaff, of the Fruehauf Trailer Co., Detroit, discussed semi-trailers, in a paper on "Lower Transportation Costs," with relation to ad-

vantages, initial costs, yearly fixed expenses, operating expenses, mileage costs, performance factors, ease in hauling, etc.

"There seems to be a widespread opinion that semi-trailer equipment provides advantages only in that class of freight transportation which requires frequent coupling and uncoupling between tractor and trailer," Mr. Retzlaff said. "This is not true. The semi-trailer and tractor offer distinct advantages in both local and long distance hauling.

"Trailers are the best solution for long distance furniture hauls. . . . With cooperation, interchangeability of equipment and the trailer idea, Allied vans will function 100 per cent. Tractors can be scheduled like railroad locomotives to pull pay loads at all times. Combinations of 1200 and 600 cubic foot van semi-trailers can be worked out to give the greatest economy."

Arthur A. Leonard, leading a discussion on "Van Standards," endorsed the use of trailers in long distance moving.

Regarding a standard unit size of motor truck, Mr. Leonard said his committee recommended 600 cubic feet, with van to have full length doors and a tail gate. Adoption of any standard van should be withheld until the industry has had more experience, however, he added. Looking into the future, he gave this thought:

"It is quite likely that the use of container car service is closer than we realize. Some of the railroads are already using containers on certain parts of their lines, and quite likely this method when perfected will offer a much

better means of transportation, on our longer hauls, than the van service we are now using."

Hugh G. Walsh, Pittsburgh, read a paper on "Loading of Moving Vans for Long Distance Removals." He advanced the quaint thought that the first important requirement "is to secure the order for the removal and have the customer's name on the dotted line, with a substantial deposit paid to bind the transaction." He urged that the best class of employees be assigned to the long distance work, and went into detail regarding methods of packing various pieces.

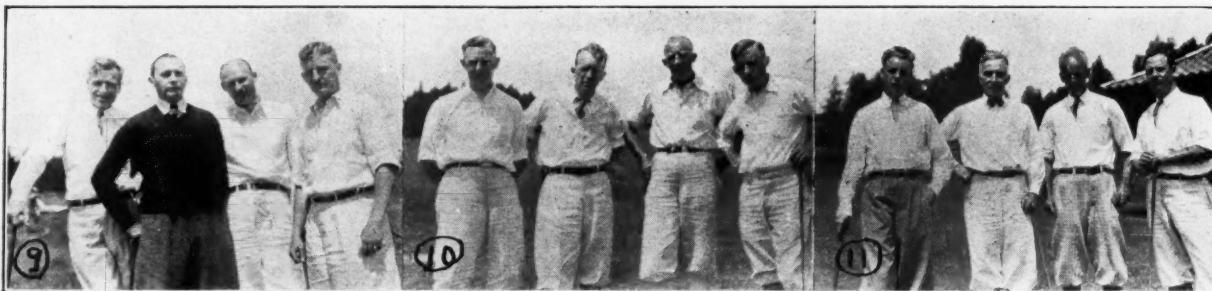
On behalf of James L. McAuliff, Chicago, a paper was read on "In Selling Transportation of Household Goods, Following the Lines of Least Resistance Is Not Always the Best Practice." He pointed out that the purpose of A. V. L. was not to replace packing for shipment service but to supply alternative service to the public.

"In our enthusiasm for the A. V. L. movement," he said, "we have overlooked the fact that in many cases shipping by rail is more to the advantage of the customer than shipping by truck, where the movement is for a great distance. We have not yet reached that stage of perfection in the movement by truck that we can compete against the railroad in all phases of transportation. . . .

"The Allied Van Lines are our ace in the hole and should be so considered. If it is to the best interest of our customer to pack and ship, and we are unable to make him see the advantages of such method of shipping, we still have the A. V. L. as our ace in the hole, and we



5. Joseph W. Glenn, Buffalo; Ray M. King, Syracuse; Charles A. Winslow, Watertown, N. Y.; E. G. Mooney, Hartford, Conn. 6. William C. Meinke, La Porte, Ind.; Floyd L. Bateman, Chicago; Graham C. Woodruff, New York City; Robert V. Weicker, Denver. 7. Charles D. Strang, Brooklyn; E. P. Martin, Wooster, Ohio; Thomas A. Fetter, Chicago; Henry P. Mellus, Milwaukee. 8. Griswold B. Holman, Rutherford, N. J.; Joseph F. White, Pittsburgh; William J. Byrnes, New York City; C. O. Gray, Cleveland.



9. Arthur A. Leonard, Detroit; George A. Shanahan, Pittsburgh; Barrett C. Gilbert and Howard S. Tierney, New York City. 10. W. G. Retzlaff, Detroit; Mack Mathews, Charleston, W. Va.; S. M. Green, Jr., Atlanta; A. H. Laney, Jacksonville. 11. Ray Hall, Duluth; Wilson Collin, Chicago; George A. Rhame and Joseph R. Cochran, Minneapolis.

can then offer him superior service of the type he is insisting upon."

Henry Reimers presented a set of safety rules for chauffeurs and motor van drivers. These touched on road courtesy, accidents, brakes, lubrication, care of parts, equipment, etc., and included a standard "report of accident" form for drivers.

Legislation

THE sale of household goods, for unpaid storage charges, under the uniform warehouse receipts Act was discussed in a paper read by Mr. Reimers on behalf of William T. Bostwick, New York, chairman of the warehouse and removals operations committee.

Ensuing discussion brought up the moot problem as to whether the warehouseman has the legal right to open locked containers and sell the contents as individual pieces. As in the past, there was no unanimity of agreement.

In a paper on "Storage Collections" Wilson Collin advocated the charging of interest on unpaid accounts.

As chairman of the laws and legislation committee Oscar W. Kreutzer, Milwaukee, reviewed the pertinent legal and Court developments of the previous half-year, including bills which passed or failed in State Legislatures.

Mr. Kreutzer questioned the practice of warehousemen purchasing at lien foreclosure sales and quoted various decisions to show that such purchasing was construed, in some States, as conversion.

Legal situations in Pennsylvania were reported on, as part of Mr. Kreutzer's paper, by Buell G. Miller, Philadelphia; in Colorado, by Robert van H. Work, Denver; and in Texas, by Ben H. Hurwitz, Houston.

"Our experience this year before the Legislature," Mr. Hurwitz said, "demonstrated the vital necessity of an industry such as ours having its own organization and its own representatives with authority to speak in order to secure healthy affirmative legislation. No worse uncertainty can exist for an industry than to sit supinely by while legislators are introducing divers bills."

Neill H. Banister endorsed this idea and urged the members to become personally acquainted with their State legislators.

At this point Mr. Kreutzer, on behalf of the nominating committee, of which he is chairman, announced that the committee would meet in September or October to prepare a slate for next winter's convention. He said he was not intimately acquainted with many of the

members and it was difficult to determine where administrative ability lay. Accordingly he desired the members to submit any suggestions they might have in mind.

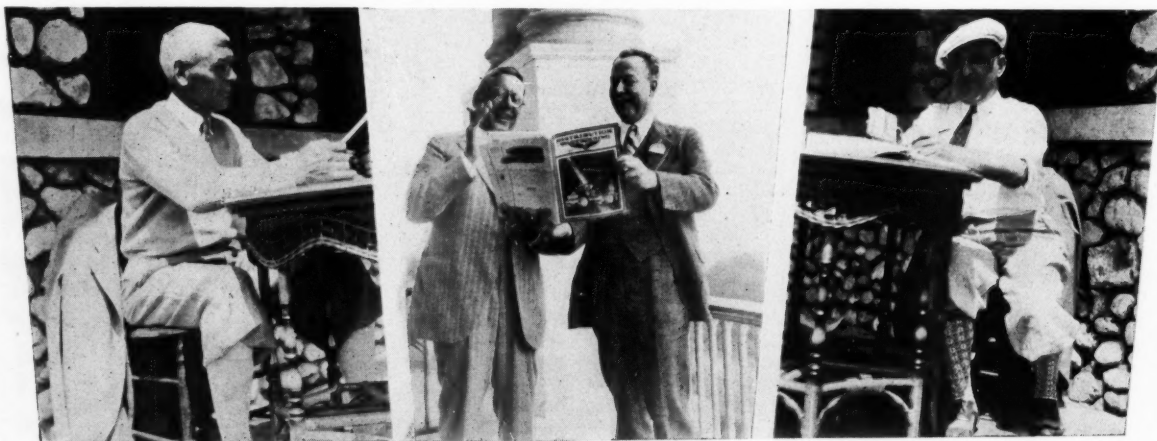
Other Papers

CHARLES S. MORRIS reported on "Standard Fireproof Warehouse for Insurance Rate-Making" and the progress which had been made. He outlined the changes which had been made, based on members' suggestions, in the tentative regulations of the National Board of Fire Underwriters for standard domestic furniture warehouse construction, and announced that the completed pamphlet had been turned over to the board's printer and that in due time each National member would receive a copy.

"It is suggested to our members," Mr. Morris concluded, "that they familiarize themselves first with the tentative regulations as mailed last winter and the addenda now presented, from which we feel certain the first move toward the standardizing of warehouses and the securing of credits for proper construction will be obtained."

As chairman of the cost accounting committee, George Sebold, Atlanta, told how the household effects in American

(Concluded on page 57)



Left, "Tom" Leonard, Detroit, supervising the convention golf tournament. Center, George A. Rutherford of Cleveland and James A. Hoeveler of Pittsburgh and Paris reading their favorite magazine. Right, "Larry" Morris, New York, commissioner-in-chief of the pari-mutuels.

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Its Economic Relation to Public Warehousing

Number 53

The Importance of Weather and Climate to the Consumption of Manufactured Goods

By H. A. HARING

"WEATHER" is the change from day to day—the change in atmosphere, temperature, moisture, the presence of clouds or sunshine, the direction and velocity of the wind. "Climate," on the other hand, is a more prolonged condition. Climate is "the settled condition" of the weather over a considerable period of time.

Almost any spot may have, at times, for a single day or week, the conditions of either the tropics or the arctics; but the true climate of those places is theirs alone. "Weather" lasts for a day, or a week at most; "climate" is permanent. Instinctively we know that the North Pole does not demand the same merchandise as the equator. Yet when it comes to comparing two portions of the United States there arise at once baffling questions as to what is the effect on marketing.

Arizona has twice the hours of sunshine in a year that

Maine enjoys, but Arizona has only a fraction of the rainfall of New England. These are permanent conditions. They seriously modify the selling of manufactured goods in the two States, and within each State the day-to-day changes in weather further modify sales. Iced drinks sell better on torrid afternoons than on shivering mornings; two rainy weeks the fore part of June will discourage purchase of straw hats so much that many men will then "go through the summer without"; an open January may not require anti-skid chains and then, whatever the weather for February and March, automobilists will postpone the purchase; clear frosty nights in October will improve radio reception so much that sales for the winter will rise perceptibly, whereas if the opposite condition prevails, outdoor amusements may be prolonged beyond the holidays.

We Blame the Weather

THE makers of "Eveready Prestone" and similar anti-freeze compounds contract with newspapers for advertising space under an agreement that the copy is to be run the first morning after a stated drop in temperature.

Makers of anti-skid chains do the same thing, but with emphasis on sleet storms and iciness of the pavement.

During the winter just past several campaigns of Aspirin and Vapo Rub and related remedies placed their copy for release by telegraph, which the advertisers did upon the first appearance of "flu" in the community. Thus they followed the epidemic from southern California to the Atlantic seaboard.

Their rule was followed by at least one of the citrus growers' associations.

These are familiar instances of the effort to correlate selling to weather conditions. They illustrate the need, commonly felt, of knowing more about the influence of weather on sales; and yet, for anyone who investigates the question, the most conspicuous fact is the illusiveness of all data.

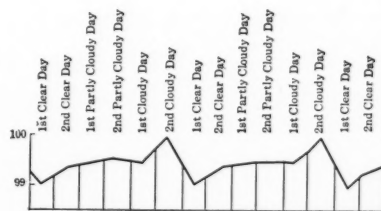


Chart prepared by Professor Ellsworth Huntington to show effect of weather changes. Broken line indicates percentage of working efficiency of factory employees, observed over a long period of time. It is notable that highest efficiency comes on the second cloudy day, following a period of clear weather.

There is a strong tendency in all trade to blame the weather conditions for dullness. Thus the "late spring" or the "wet summer" or the "mild winter" are lightly assigned as causes for depression, although seldom, if ever, does anyone give credit to the opposite conditions if prosperity is experienced! Neither our idle gossip nor the more formal bankers' bulletins think of good

weather as helping sales, although they are quick to blame unfavorable weather when things go wrong.

"It is all a part," to quote an interview with a bank president, "of the natural desire of every one to take to himself all the credit for good things and to blame some outside cause for the bad."

Each of us knows, however, that the distribution of energy and health over the earth are not accidental. Climate alters immensely the productivity of men between Alabama and Iowa. It likewise affects the type of goods bought. A given lot of people tend to be progressive and productive, and to spend freely for goods, in fairly close harmony with the extent to which the climate of their home helps to ward off disease and to keep the people vigorous. This does not minimize the importance of care of the health, but it does mean that climate establishes the broad lines of distribution for manufactured goods, whereas other factors determine more largely the minor matters.

Last December, during the fortnight

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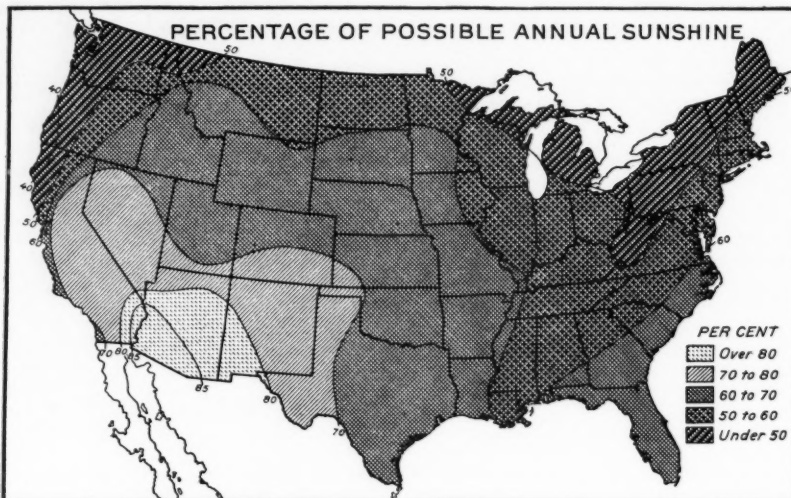
preceding Christmas, it was illuminating to talk with two Cleveland merchants whose two department stores face each other on Euclid Avenue. Three dull, dark, misty days had succeeded one another when the Christmas shopping should have been at its height. Both stores were notably short of shoppers.

One man was discouraged and talked resentfully of the thousands of dollars which would be lost to the holiday trade. But the other, with cheerful conviction in his tones, related this philosophy of the weather:

"I've learned the weather lesson. These warm, sloppy days keep people at home. The 'flu' scare makes it worse, of course. I've met the situation by letting one-third of our help have the day off; yesterday I did the same; if tomorrow is bad I will have given every employee one day.

"They're better off doing their own Christmas shopping than yapping behind my counters. The help that are on the job are fairly busy, and that's good for them. But, in a day or two, when the drop in temperature comes, all Cleveland will crowd these aisles. And then our clerks, instead of being worn down by three days' monotony, will face their customers with renewed vigor to sell. I've tried the experiment before, and there's no drop in the weekly sales quotas."

Unwittingly, this merchant hit on the fundamental principle of day-to-day weather changes in using the expression: "In a day or two, when the drop in temperature comes." For, amid all the elusive data about weather, one of



Percentage of the possible amount of sunshine that occurs on the average in different portions of the country for the year as a whole and indicates the effect of cloudiness on the amount received. The possible amount for the year is approximately the same in all sections. In the far Northwest and from the Lake region eastward the sun shines on the average for the year less than half the daylight hours, but in some far southwestern districts more than 85 per cent of the possible amount occurs. In the interior of California the summers are practically cloudless, but considerable cloudy weather prevails in the winter. The fall and winter months are especially cloudy in the more northwestern States and in the Northeast. The principal agricultural sections of the country receive between 50 and 70 per cent of the possible amount of sunshine.

the proved facts is that a drop of 10° to 15° stimulates human activity. Careful studies of working conditions by scientific methods indicate that employees work faster and turn out more perfect "pieces" under such conditions.

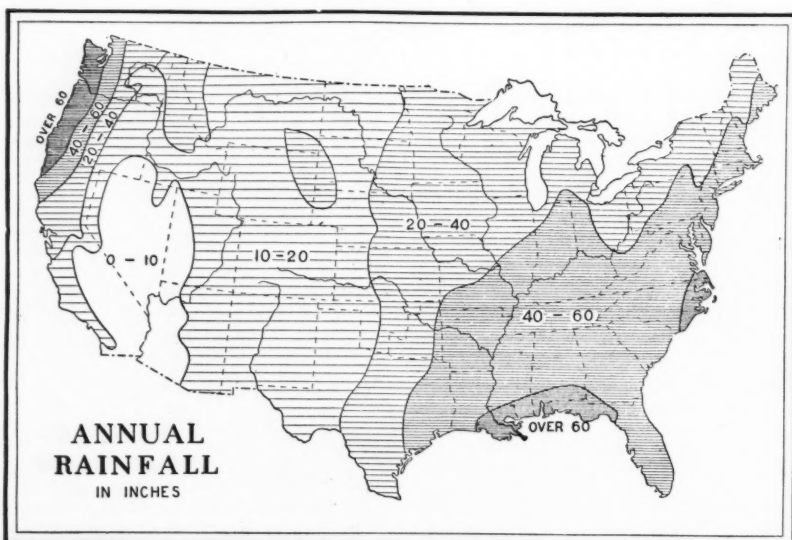
Professor Huntington's studies, covering some twenty years, show conclusively that "when today's temperature is

the same as yesterday's, people tend to work slowly and to think slowly; while if there is a change in the temperature downward, they work faster." Most people think that we work faster on a bright, clear, day but a study of factories for over a year show that employees did not. Their work slowed down on the first clear day. It increased a trifle on the second clear day; it also increased on days that were partly cloudy. It was highest at the end of a storm—because then there was certain to be a drop in temperature. The most efficient days of all were those which came second or third in a series of cloudy, rainy days, when the skies began to clear and a brisk wind brought a lower temperature. In the accompanying charts is a graphic representation of the effect of cloudy days in factory work.

Storms Good for Business

STORMS—strange as the statement sound—are beneficial to business. They induce bodily and mental vigor. Authorities on climate and geography tell us that "the great climatic advantage of Europe over all the world is its abundant storms." Europe's storms not only bring rain at all seasons, but they also give the constant changes in temperature and of sunshine which are such important elements in good health and vigorous activity.

Among all the regions of the whole earth (within the favoring range of climate) only one has more storminess



Chart, prepared by the Government's Weather Bureau, showing the annual rainfall for the United States. The figures refer to the inches of precipitation in an average year.

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than Europe, and that one is the north-eastern United States. That region is notable for its vigor and progress. It is no accident that such is the case: the climate is very largely to be credited.

Interesting also is it to remember that the Puget Sound region holds a close second to the Northeast of our country in this respect.

Careful studies indicate that the best part of the United States for weather lies from New England to Iowa. Although in this region the summers are often too hot and the winters too cold for comfort, these disadvantages are more than neutralized by "the constant succession of storms which give a stimulating variability to the days."

Thus we learn that "New York and Chicago enjoy almost the most stimulating climates in the whole United States," while such cities as Baltimore, Washington, Nashville and Memphis "do not have enough storms."

Too Dry for Vigorous Activity

DRY climates are preferred as health resorts. This is not for the dryness itself but because the dryness fosters a free life out of doors. But for vigor of mind and of body an average humidity of 80-90 per cent is best. Thus the best sort of day has dew at night with a temperature of 60° or lower at midnight and a temperature of 70° or more at noon with a humidity of 60 per cent or more.

Watch the weather until such a day arrives and see how delightful it is; and, if you are a merchant, observe how the sales curve swings up on such a day and especially on the second of two successive days of this sort.

A climate that is dry and that has few changes is doubtless pleasant for the old and feeble. For them it may be ideal. But for health in general it is not so good. For men who must work and who have ambition to achieve something in the world, it is far from ideal. For, as we have already illustrated, stormy weather produces best work, with the high curve of effectiveness during those days when temperature drops after a storm.

Any great departure from the range between 40° and 70° means a diminution of vigor. The greater the departure from this "optimum" for human beings, the less the vigor. At first, when extremes beyond these limits prevail, people simply feel uncomfortable because they are too cold or too warm or too dry. As the variations increase, they become more susceptible to disease, less able to work vigorously, and much more liable to have their physiological functions deranged through extra effort to keep warm, or an exhaustion of the lungs, heart and skin to prevent in-

ternal temperature rising too high in hot weather. One of the first visible effects is an excessive death rate among infants, with the consequence that many babies must be born in order to maintain the population, as anyone may witness in the tropics.

It would, for instance, be almost foolish for families to attempt to live in Death Valley where the thermometer rises to 135°, and where the summer is one long discomfort. Man's tissue calls for water all the time no matter how much he may drink. Men can live there, but hardly mothers and babies. The climate limits reproduction and it shortens life for all but the most hardy. In such a region the limits of reproduction and existence are closely approached; susceptibility to disease is high, the death rate becomes appalling, and the average span of life is short. This means that people have little or no surplus strength.

Death Valley is extreme. Yet it illustrates the tendency of any spot where conditions are below par. In any such region the struggle is to live, and that alone. Men cease to have ambitions; they do not crave the nicer things of life. As a market for goods, they want only bare necessities. "Good clothes" do not interest them, nor furniture, nor attractive homes, nor rugs. "Any old thing is good enough," because all hope to escape the discomfort by going elsewhere. Such places, accordingly, are wretched markets.

Watching the Weather for Your Sales

ACTUAL records of the effect of weather on sales are difficult to get. Men blame the weather but they seldom reduce weather to charts.

One such record, however, came to me through a chain of bakeries. The management for three years had made ineffectual efforts to forecast the daily market for its two products, bread and cake. With the exception of Saturday's business, no regularity could be found in the demand by days of the week. So utterly meaningless, in fact, were the company's statistics that it was found impossible to forecast demand or to control production beyond guesswork—until someone observed that the curve of the day's temperature up to noon-time corresponded with the curve of the day's sales.

In its sale of cake, this baking company, for some forty plants, has now found that following two days of rain in summer, and following two days of storm in winter, the demand for sweet cakes will go up 35 per cent. Following a rise in temperature in summer, the first day's sale of cake drops off slightly after the noon-hour but shows no change during the mornings (the chief buying

period of the day), but on the second day of hot weather the sales will decrease 15 per cent and they will drop another 15 per cent on the third such day. Sales will, however, instantly rebound with a drop in temperature. Sales from wagon routes present the same showing as those from retail stores.

This chain bakery, therefore, now forecasts cake baking from day to day on the basis of the weather reports, modified for local conditions as shown by their records. Bread production must be determined on the previous evening, but cake production is not definitely set until after midnight, by which hour the next day's weather conditions are reasonably certain.

In the soft drinks industry the great volume of sales comes in the summer. Each year the manufacturers face the problem: "What of September?" And the answer hangs almost entirely on the weather conditions for the week following Labor Day. Should warm days come during that week, people do not break off the summer's habit of a bottle of Coco Cola or Orange Crush or root beer; but should Labor Day usher in a week of cool days the soft drink habit goes down with the temperature. The distinctly summer dispensers of the product shut up shop for the winter. Whatever may be the actual temperature for the second half of September, demand never seems to rise to the point it would have maintained under unbroken warm weather.

Turning our attention, now, to another type of manufactured goods, some advantage may be discerned in the stormy day itself.

Furniture is a commodity distinctly of the "shopping" type, by which statement is meant that furniture is not bought on impulse as tooth paste or lunches are but that the purchaser buys only once in long periods and therefore takes the time to examine at leisure, often to compare store with store, and to consider such long-time factors as probable living conditions for the five years to follow.

A leading dealer of Chicago reports that a careful record of his sales, covering now almost three years, clearly indicates that stormy days are best for selling furniture. Of his comments, the following thoughts are pertinent:

"More than 80 per cent of our sales are on days that would be called 'bad.' But until we began to keep this record, we had no idea of the damage to our business by a week of fine days. We're nearly as badly off as the specialty shops in lobbies of resort hotels, where they have no business until a bad day keeps the women indoors. With us, it's easy to be misled, because in number of sales the bad days make a poor show-

ing. The difference is in size of sales.

"A fine day brings a lot of sales for items under \$10—a chair, a bridge table, a lamp shade or a radio table. But when it comes to purchases which run into several hundred dollars, the temptation to go to another store seems to be far less on a stormy afternoon. At any rate, they remain here and buy. In my opinion, the rainy afternoons are better for us than the 'Open Evenings' sign which we used to think so important in furniture."

Sunshine and Light

ANOTHER element of weather that influences sales is the quantity of sunshine and light. Sunshine and light have pronounced effects on man's vigor. Absence of them is depressing. A long period of cloudy and damp weather is notably depressing. It is "bad for business," in a retail way; and it may determine whether a season's product for a manufacturer nets a loss or a profit.

On the other hand, the opposite extreme is equally trying. Long periods of continuous sunshine and high temperatures are trying to all—trying to temper, hard on health, and discouraging to the buying of goods.

The possible sunshine of the most southerly part of the United States is 4,437.2 hours in a year of 365 days. For the most northerly place it is 4,472.6 hours—a difference of 35.5 hours per year. This variation in hours is of no consequence. At the time of the equinoxes (March 21 and Sept. 22) the days and nights are of equal length throughout the world. The longest day at the extreme point of Florida is only about three hours longer than the shortest day; but at the northern boundary, along the Canadian line, the longest day is eight hours longer than the shortest. Yet, by the end of the year, all States have almost an equal quantity of possible sunshine, or daylight hours.

Actual sunshine is not, however, the same as the "possible." Cloudiness and rains obscure the sun for long periods at a time.

Thus, although the possible sunshine is the same for all, due to weather conditions, the least sunshine is received in the Northwest, along Puget Sound. There the sun "shines" on the average for the year for only about 40 per cent of the "daylight" hours, whereas in the Lake Region and the Appalachians and the Northeast the percentages are only slightly higher, being 45-50. The maximum for the United States is in the far Southwest (western Texas, New Mexico, Arizona, southern Nevada and the adjoining portions of California, where the percentage is from 80 to 85, reaching a maximum of 90 per cent in the lower valley of the Colorado River. The accompanying chart illustrates the same facts.

Some Effects of Sunshine

THE North is less hot than the South; but in the summer, when plants and crops are growing, the North has more hours of sunshine.

The tourist is always surprised beyond

expression to see splendid crops growing in Alaska, having forgotten that with all its cold in winter, Alaska enjoys almost a 24-hour day during the summer. This means that plants receive twice the light and heat per 24 hours, plus the fact that during the night they do not cool off or cease their growing.

These long days reduce the frost hazard in those regions where the growing season is short, and thus Canada's Northwest can raise wheat as well as Oklahoma, the crop achieving the same development in half the number of days (but the same number of sunshine hours).

The sunshine affects marketing. All radio makers have found their best markets in the North. One high-priced receiving set has its very best market (relative to population) in Saskatchewan, where the sales per 1000 of population exceed those of any division both of Canada and the United States.

Texas has approximately the population of Iowa. Both are agricultural. Texas has more Negroes and many Mexicans, whose purchasing power is small for manufactured goods, and one would expect that Iowa, with its wealth, would surpass Texas as a market. For commodities in general, it does. For hand lotions, however, it does not. Texas is the market leader for at least two manufacturers of lotions, consuming of this product four times Iowa's quota. Texas is less populous than Ohio, yet Texas outbuys Ohio for the same commodity two to one. Climate is the explanation, with sunshine the particular factor, in combination with the sand storms and high winds of winter.

Texas, for all its size, is a constant puzzle to eastern manufacturers. Only last month a marketing expert remarked to me:

"Why rant about Texas? It doesn't buy goods! It's big and it's noisy, but that's all."

The very next morning I was talking with a millionaire who has made his name and fortune as a manufacturer. He remarked:

"We would give up the whole world as a market before we would part with Texas."

The difference, of course, was that the first man makes a product which does not fit the sunshine and heat of Texas, while the second makes goods that Texas needs. The first is a manufacturer of stoves; the second of hand lotion and perfumes. Both are right in their statements; yet neither had ever crossed the Texas border and neither could give an adequate explanation of the reason for his experience. Each lacked a knowledge of the effect of weather and climate on sales of goods.

Climate Modifies Sales Quotas

THE marketing world has gone wild, of recent years, on market analysis. Men know that correct judgments must be based on facts, and, for their marketing, they are doing everything they can to marshal facts as to markets. Therefore they break down, most elabo-

ately, the country into so many trading areas, based on population, income tax returns, automobile registrations, magazine circulation and what not.

They all make the mistake, however, of assuming that 1,000 persons in Oregon will consume the same goods and in the same quantity as 1000 in New York. The market analyst lives, as a rule, in New York. The only people he knows are east of the Hudson, and he knows so little of climate and conditions of other sections that he fails to modify New York conditions for conditions as they prevail elsewhere.

It is for this reason that sales quotas fail to materialize when they are set from "the top down" without checking the quotas by estimates from the sales districts.

Chevrolet, for one illustration, has found that the selling season for automobiles in Florida is not the same as in Georgia, although the two States are contiguous. Florida has its peak in January and February, Georgia in August-October, not in this case due altogether to differences of climate. For in Florida the winter tourist season brings greatest prosperity, while with Georgia the marketing of the cotton crop brings greatest in-flow of cash.

For the same company throughout most of the country the peak of demand is April-June, but when they break down their quotas by their 52 marketing districts, it is found that more than half of them have such climate that other months than the three from April to June enjoy the peak of business.

This automobile corporation has, therefore, discarded the old factors of population and income taxes in setting sales quotas. Its present method uses, instead of these, other factors that reflect the effects of climate and local conditions.

The result has been that for the month of May of this year its forecast of sales of new cars was within four per cent of being correct (although made three months before the first day of May); and for sale of used cars by its tens of thousands of dealers the estimate was within one-half of one per cent of right.

No such exactness was ever achieved by Chevrolet until it adopted its present method of using local conditions and local climate as the most weighted factors in setting quotas.

Pioneer of Los Angeles Expands

The Pioneer Truck & Transfer Co., Los Angeles, has purchased for \$325,000 an improved industrial property bounded by Mateo, Wilson, Sacramento and Bay Streets—an area of 137,000 square feet—and plans to cover one-fourth of it with a \$125,000 five-story reinforced concrete warehouse for storage of merchandise.

St. Louis Company Buys

The Sloan Moving & Express Co., St. Louis, has purchased a two-story brick warehouse and garage at 1167-1169 Hodiament Avenue.

Traffic Managers Not in Agreement Regarding Maximum Rate Proposal

Letters from Shippers Show Lack of Uniformity of Opinion as to Whether Warehouse Industry Should Set Up a Tariff for Handling and Storing Refused and Unclaimed Freight

By KENT B. STILES

REPRESENTATIVES of traffic departments of manufacturing companies which use warehouses for distribution, express this month their opinions regarding the practice, by some storage executives, of assessing higher rates on freight turned over to warehouses by railroads, after having been refused by consignees, than would be charged on similar goods sent direct by manufacturer to public warehouse for storage and distribution.

In the July issue of *Distribution and Warehousing* this particular warehousing practice was generally admitted, by various storage executives, to be the usual one. Writers justified it on the ground that refused and unclaimed freight means extra handling, space occupancy, correspondence, money advanced to railroad, etc.—services not identified with normal storage accounts—and often monetary losses when such freight has to be sold for storage charges. The warehousemen, in letters which were published, contended that they were entitled to higher rates in order to make up for some of the losses and expenses entailed.

Are traffic managers in agreement with this warehousing practice?

Would it, in their opinion, be practicable or possible for warehousemen to establish a set of maximum rates, uniformly to prevail, with relation to such services?

These questions were placed by *Distribution and Warehousing* before a representative list of traffic executives, and on these ensuing pages are summaries of or quotations from the various responses.

"Just a Little Guilty"

NOTWITHSTANDING the opinions of "the very prominent men in warehousing," writes L. H. Zimmerman, traffic manager of the Malleable Iron Range Co., Beaver Dam, Wis., "I do not believe that the warehouse company is just right in the attitude taken and it almost seems as though some of these writers taking up a cudgel in defence of the action in this case are doing so just a little guiltily." Mr. Zimmerman continues:

"No reasonable shipper—and I believe Northrup, King & Co. is that—would ask any warehouse to perform service for them without being paid for it with a reasonable amount, and if the circum-

stances are such that more service is required under certain conditions, they certainly would realize that more compensation for such service would be required.

"We really don't believe, however, that any increased rates should be assessed nor any unlimited maximum or minimum put on the services in such instances. It has been strongly emphasized that the incident is one of rare occurrence and, if such is the case, the actual service should be itemized; the regular charges applied, and any additional charges should be listed and explained, and you will find shippers will have no objection to paying any reasonable charges when a satisfactory explanation is made for such charges."

In brief, some of the traffic managers resent the practice, declaring it to be unfair to distributors. Others look at the situation from the viewpoint of the warehousemen and are not disturbed.

As to whether maximum rates are feasible, there seems to be no unanimity of opinion among the traffic representatives, just as there was no solidarity of agreement among the storage executives in the latter's communications published last month.

Preliminary to setting down the shippers' thoughts, it may be explained at this point that the situation arose when J. George Mann, traffic manager of Northrup, King & Co., Minneapolis seedsmen, protested to *Distribution and Warehousing* because a warehouseman in one of the central western cities had charged him 100 per cent more—for storage and cartage of two boxes constituting a railroad's refused freight—than Mr. Mann had in his experience paid previously when voluntarily placing such boxes in a public warehouse.

The Minneapolis traffic manager considered his an emergency situation, one beyond his control, and he expressed opinion that he had been assessed higher rates, by the storage firm to which the railroad had turned over the boxes of seeds when refused by consignees, than the circumstances justified. Mr. Mann hopes that the storage industry might see its way clear to arrive at a set of maximum rates for services such as those rendered in the case at point.

50c. Sufficient for Pick-up

THE experience of the Federal Match Corporation, Chicago, has been "practically the same as Mr. Mann's," according to H. L. Held, traffic manager, who believes that "50c. is sufficient minimum for a pick-up of the nature outlined." Warehouses hurt themselves more than consignors or consignees, he believes, "when they charge such exorbitant rates as 85c. cartage to depot and a minimum storage charge of \$1.50 per month." Mr. Held goes on:

"As far as this company is concerned, the writer in the past, when we were in need of a warehouse at a particular city, would take into consideration and bear in mind the fact that, where we had

previously been, as I would call it, 'robbed' by that particular warehouse, we would not give them future consideration on temporary or permanent warehousing of our product, and in talking to traffic managers recently they have been following the same procedure."

One Shipper's Standard Scale

WAREHOUSING and distribution comprise "a wide field wherein scheming warehousemen can rob the shipping industries" if the latter do not maintain competent traffic heads, writes C. Wehr, Jr., traffic manager of the Elevator Supplies Co., Inc., Hoboken, N. J. Mr. Wehr states that he has personally set up a standard scale of rates with about 500 warehouses throughout the country—rates which they have accepted—and he says the warehouses "are deriving a profit from it." The scale follows:

\$0.08 per Cwt. drayage from R.R. or steamship pier to warehouse.
\$0.05 per Cwt. handling in.
\$0.05 per Cwt. handling out.
\$0.10 per Cwt. drayage from warehouse to job (provided it is within reasonable drayage limits).
The minimum storage rate per month is \$0.50 and the minimum drayage rate is \$0.50.

This scale is based on this particular firm's commodities, which are compact and not bulky and packed in boxes, crates and bundles, plainly stencilled and weigh from 100 to 1500 pounds apiece.

Mr. Wehr concludes:

"If there could be a standardization of rates in warehouses set up according to classification, practically on the same line as commodities are classified in Consolidated Freight Classification, it would certainly eliminate warehousemen from charging exorbitant rates for handling and storing various commodities."

Filed Protest with Carrier

THE Pet Milk Co., St. Louis, has not observed that the experience as related by Mr. Mann is general, according to R. E. French, traffic manager, but did run into a similar situation involving two shipments, both handled by the same warehouse.

One consignment of crepe paper weighing about 100 pounds was placed in the warehouse by the railroad company, and the warehouseman assessed the shipper \$1 for cartage to warehouse, \$1.25 for five days' storage, and \$1 as a labor charge in and out. The second shipment, weighing less than 250 pounds, was assessed \$1.50 for drayage, \$2 for storage and \$1.50 in warehouse charges.

"In the case of the first shipment we made vigorous protest," Mr. French writes, "and finally got an adjustment whereby the total expense was reduced to \$1.25, but although the charges on the second shipment were equally excessive, if not more so, we paid them without protest."

"However, the matter was put up to the carriers in the light that they were not protecting the interest of their patrons when they employed warehouses which resorted to practices of this nature, and it is our recollection that it

was handled by them in such a way that they either made a change in their warehouse connections or else obtained the establishment of reasonable rates."

The warehouse in question is a member of one of the national warehousing associations, according to Mr. French.

Urges Maximum Rates

DECLARING that Mr. Mann had brought to *Distribution and Warehousing's* attention "a matter of considerable importance," J. A. Gerlin, traffic manager of the Bon Ami Co., Inc., New York, writes that he recalls incidents "where charges have been assessed which in our opinion were too high." He adds:

"I personally believe, as Mr. Mann does, that there should be maximum rates both for storage and cartage on shipments placed in public warehouses in an emergency of this kind."

G. F. Lacroix, of the sales department of the Union Bag & Paper Corp., New York, agrees with Mr. Gerlin, saying:

"The handling of such business by the warehouses should come under a schedule of maximum rates, for such transient business is considerably more costly to be handled."

The Mann incident was probably an isolated one, Mr. Lacroix believes, but—

"Even so, that such a condition does exist is to be regretted. Such a practice, in the final analysis, does more harm to the warehouse by far than to the shipper."

"When a warehouse is favored with such a consignment, he has all of the advantages. Exacting an exorbitant charge for such a service, he is 'penny wise and pound foolish.' He pockets a few extra cents and loses good will, for which he pays thousands of dollars in advertising to gain."

H. H. Cauvet, traffic manager of the Post Products Co., Inc., New York, is another who thinks that "a set of maximum rates as suggested is well worth discussing," and that it would benefit warehousing itself. He comments also:

"We have been fortunate in that we have had only one or two experiences such as described by Mr. Mann. The warehouse may feel justified in charging higher rates, but it certainly would discourage a shipper from ever placing the name of the warehouse on a preferred list for shipments for consigned stock or for the handling of any special shipments."

The circumstances cited by Mr. Mann "are by no means new and we have had in the past ten years numerous experiences of a like nature," writes the traffic manager of a manufacturing company in Springfield, Mass.

"In most cases," according to Mr. Guest, "the charges, while exorbitant for the nature of services performed, are too small to bring to an issue. We had one case where the storage charge for less than a month, including the cartage from railroad and back to the railroad, more than doubled the invoice value of the machine."

"We complained to the Big Four

Railroad because they were dealing with the concern which had assessed such exorbitant charges against their patrons. We were finally obliged to pay the bill."

"An Act of Conversion"

DECLARING that "this situation is general and is the almost universal practice" and that it "should be stopped," G. A. Ryan, traffic manager of the Century Electric Co., St. Louis, writes:

"We contend that the carrier storing the refused goods commits an act of conversion under the law, and in every case where they have stored our property we have demanded delivery of the warehouse without the collection of these funds unless the railroad can show a notice to us before storing them."

"The ——— Railroad is one of the flagrant violators in this respect and will invariably store goods—in some cases where the consignee does not even know that they are in the city."

Warehouseman Entitled to More

THAT the warehouseman should have a little higher remuneration of this class of business is the opinion of B. E. Camp, assistant sales manager of the Murphy Chair Co., Owensboro, Ky.

"We have made it a practice," Mr. Camp writes, "of advising the railroad agent to hold material in the railroad warehouse for a few days at our risk and in most cases avoid the unnecessary expense described, but there has been some cases where the storage and transfer charges were so high that we left the merchandise with them to sell for the charges."

"We believe that the warehouse company is due a little more for this type of business than for regular storage business, as the risk of having the material left on their hands and sold below the actual expense of handling is greater than in regular storage, but we readily agree that in some cases the charges are beyond reason."

"We do not believe that there can be a set rate for handling unclaimed merchandise but do believe that the warehouse companies will improve their own business if they operate on a fair and honest basis rather than try to get all they can while the getting is good."

"An Outright Abuse"

NO business, whether it be manufacturing or distributing or selling, can long exist unless it is fair and impartial in its dealings, points out G. C. Wasson, of the General Electric Co., Cleveland, and it would appear to him that "the subject which Mr. Mann discusses is an outright abuse of the primary functions of a warehouse." Mr. Wasson continues:

"To take advantage of an unfortunate incident is, in my opinion, poor business and should not be permitted to exist. Of course, the reaction to a warehousing policy as indicated by the article would have to be borne by the whole warehousing industry, whereas I rather imagine that it is not a general condition."

If this is true, the whole warehousing industry should be enough interested to correct such conditions where they exist."

A Letter in Defence

A TRAFFIC manager who was once himself in the warehouse business is L. D. Snow of Lever Brothers Company, Cambridge, Mass., and he does not believe that present conditions will change until warehouse rates and practices are within the scope of a regulatory body—which he does not believe is to be particularly desired.

"The warehouse company with which I was at one time affiliated," Mr. Snow writes, "had one of these storage arrangements with the railroad, in accordance with which the railroad cleaned out its freight house periodically and dumped upon the warehouse a miscellaneous assortment of goods—some worth considerable money, others worth nothing—simultaneously advancing upon the warehouse all the freight charges and railroad freight house storage charges which had accumulated on those goods. It was the duty of the warehouse to pay the railroad and clear its accounts, and thereafter it was its task to collect sufficient money from the owner of the goods to take care of the railroad advances and the warehouse charges.

"So-called exorbitant charges could be adequately defended in that case by publishing the records of all the transactions as a group and showing that some of the amounts were never collected at all, that the goods had to be sold and that the income from sale was not nearly sufficient to defray the expenses.

"The net situation, therefore, was not an exorbitant charge on the owners of the goods, although it is admitted that the charges were high. In fact, during considerable periods, this class of business was not at all attractive to the warehouse, was handled by it from a matter of simple necessity in its program of cooperation with the railroad, and was something that it would have been very glad to avoid.

"I distinctly recall, however, that when it was a case of handling merchandise belonging to some customer who had an account in the warehouse, or belonging to some company whose account was desired and hoped for, the storage and cartage charges, if any, conformed to quotations which had been made to that company. In other words, the warehouseman had a chance to use some judgment and used it.

"As a general proposition, therefore, I think that the practice of assessing extraordinary charges against this class of storage can be defended but that it might justly be called poor judgment in certain specific cases. This company, for example, would be just as indignant if any of the numerous warehouses who handled its goods, or any of those who ever hope to handle its goods, indulged in this class of gouging.

"In the matter of the credit rating of the company who owns the goods, if the warehouseman has charges which

seem exorbitant on the surface, although in the final analysis they may not be so, he may find it more difficult to collect from a company whose credit is beyond question than from small unknown individuals. Generally speaking, the warehouseman has a right to his money before he delivers his goods, and there again he can certainly be excused for using his judgment.

"I don't suppose conditions will be any different until some regulating body takes hold of warehouse rates and practices, which is not, at the present time, particularly to be desired either by the warehouseman or by his customer."

"All That the Traffic Will Bear"

THE experience of the Tropical Paint & Oil Co., Cleveland, has been such that the traffic manager, B. C. Hart, writes that "we can indorse fully and concur in what Mr. Mann has to say." Mr. Hart continues:

"It seems to be the policy to apply charges amounting to all that the traffic will bear. Their cartage charges in particular are outrageous. As to whether or not it would be possible to reach an agreement on maximum rates to be charged in an emergency, I do not know, nor can I offer a solution of the problem, but through the columns of your paper certainly a great deal of good work can be accomplished along this line.

"We do know positively, however, that the traffic is charged all that it will bear; quite frequently those charges exceed the worth or value of the property, and when we so inform the warehouse they quite readily agree to reduce their charges.

"There is one thing I do not believe that Mr. Mann mentioned, and that is the policy of certain railroads in moving an on-hand shipment from one town or city to another town or city for storage purposes, and of course when disposition is given, the shipper has to pay the additional freight charges. This is a practice which is very prevalent on one of our larger railroad systems and is very unjust."

With regard to this last situation it may of course be pointed out that responsibility does not lie with the warehouseman."

Rate Maximum Held Not Practical

NESTLE'S FOOD CO., INC., New York, has not found the practice outlined by Mr. Mann to be general, but the traffic manager, G. M. Loeffler, agrees with Mr. Mann "to the extent that a warehouse is not justified to increase minimum charges by 100 per cent when the recipient of business under conditions cited by him." Regarding tariffs, Mr. Loeffler writes:

"As to warehouses agreeing on a maximum set of rates, uniformly, to meet such circumstances, we do not believe that same is practical in view of different conditions at the various locations. We are of the opinion that setting up such maximum rates would be detrimental to storers of merchandise

generally, as these rates would necessarily be based on conditions existing in the larger cities where the warehouses would be obliged to agree on maximum rates somewhat higher than those applying at warehouses operating in smaller places with lower costs. Thus, the maximum rates would be based higher at all locations rather than rates in vogue at present which may run slightly higher in the cities and much lower in the smaller towns, so the shippers would spend more money for these services, considering all their distribution in this class.

"Concerning Mr. Mann's letter to the warehouse, we are quite in accord with his remarks about the rates. Further, that the warehouse should have enclosed the prepaid freight bill along with their statement in order to substantiate the charge.

"The minimum cartage, in and out of warehouse, at 85c. for the inhaul and a like amount outbound, is rather out of line. Our experience shows the general rate to be 50c. in and out, with some few exceptions.

"The minimum storage of \$1.50 per month is entirely out of the question. A minimum rate of 50c. seems to be consistent with what the majority of warehouses charge. Mr. Mann does not mention a labor charge and we assume that same is included in the item of \$1.50. If so, it is quite possible that the warehouse might assess minimum labor at 25c., making a charge for the first month of 75c.

"The warehouse used extremely poor judgment in holding up reforwarding of goods until they received payment of their invoice. They should not resort to a practice of this sort when dealing with a responsible firm but rather cooperate with a shipper in this position, reasoning that his profit on the sale is much reduced or entirely eliminated on account of additional expenses in distribution. When a warehouse is a member of the industry's national associations, it should be educated to look at these matters from both sides—in short, when the shipper has one or two boxes for storage, to give him the same consideration generally as he would an account involving volume storage.

"In closing, we might bring to your attention an experience we had last year. In distributing one of our new products, it was necessary to send two cases to a city where we had never had a warehouse connection. We selected a warehouse in New England from your guide and advised them we were shipping the two cases which were to be delivered on orders presented by our local man.

"We requested that they handle the shipment, sending invoice for all charges to this office for payment. Their reply informed us that they were handling the matter gratis as an accommodation to us, pointing out rates applying on additional business we might place there. We thought it well to advise you of this incident, as it is very much in contrast to the rather disagreeable conditions that Mr. Mann has complained

about, although we voluntarily placed the goods in warehouse."

"Something Should Be Done"

MR. MANN'S illustration is "not an isolated case, but rather what generally happens" in large cities where freight space is at a premium, in the opinion of the traffic manager of a wholesale grocery firm in Chicago.

"We had an incident recently at Detroit," he writes. "Our customer was preparing to move and failed to promptly remove the merchandise from the freight house, apparently trying to avoid double handling of the shipment, although the shipment was not a large one, consisting of 1 barrel of sugar.

"The barrel was therefore placed in public storage, and the accumulated charges, including the freight, which was 75c. amounted to \$4.25. In other words, the accumulated charges, without considering the freight charges, amounted to \$3.50.

"The warehouse in question has on several occasions solicited our account, and you can rest assured what chance they have in the distribution of our shipments in Detroit.

"This condition existed in Detroit a few years ago, when the freight houses were badly congested, and consignees were unable to find the merchandise in the freight houses and consequently many shipments went to public storage. We paid several hundred dollars storage and handling charges to warehouses in the city of Detroit, because of the failure of the carrier to effect delivery at the proper time.

"We believe that this condition has been responsible in a measure for the success of the consolidated car companies such as the Universal, Judson, etc. When shipments are made in their care and the merchandise is not promptly removed by the consignee they assess only regular storage or demurrage charges, and do not demand excessive charges for the removal of the freight.

"Mr. Mann points out that some action should be taken by the warehouse association to provide for maximum rates, and we agree with him that something should be done to prevent the assessment of unjust and excessive charges. Conditions arise with the shippers that place them at the mercy of the public warehousemen and, while they are entitled to fair and just compensation, we believe that many of them today are demanding more (and a great deal more), than any fair-minded man is willing to pay.

"We hope that you will treat this letter confidentially, but if you should require specific reference to the case in question, in the event of an investigation, you may call upon us and we shall be pleased to give you all the details necessary."

Other Comments

"WE believe that Mr. Mann's suggestion that warehousing set up maximum rates, uniformly, is a good one and should be stressed. We further believe that, inasmuch as the rule forcing

the movement to public warehouses for storage is covered by tariff, the storage and drayage should also be covered in the same manner."—*W. M. Holland, traffic manager Van Camp's, Indianapolis.*

"We have had practically the same experience as outlined by Mr. Mann, and we believe that a good work would be accomplished if the warehouses were convinced that their practice of making exorbitant charges on refused goods placed in storage was absolutely unfair to the shipper. Certainly the warehousemen should be willing to work with the shipper in matters of this nature, and assess only such charges as would give the warehousemen a proper remuneration for the service performed. It is our hope that you may be able to make the various warehousemen see this in the proper light."—*W. W. Barnes, manager of traffic, Beech-Nut Packing Co., Canajoharie, N. Y.*

"As for the warehouses setting up a maximum rate, it would be my personal opinion that this would be an excellent way for them to antagonize prospective customers, and we are inclined to feel that the majority of warehousemen today are alive to the possibilities of their business and that by rendering economical and expeditious service in the event of some unforeseen circumstances they are paving the way for good will and further business."—*C. V. Ostrander, chairman warehouse committee Vacuum Oil Co., New York.*

"The problem Mr. Mann encountered has not been encountered by us. If this abuse on the part of the warehouse companies is prevalent, the setting up of maximum rates to correct the evil is a step forward. Care should be taken, however, to see that the maximum rates set are reasonable, and not similar to those set by the intercoastal steamship lines, which are so high that they would not move any business at all."—*L. H. Wolters, traffic manager Golden State Milk Products Co., San Francisco.*

"I have had one or two experiences of the kind [mentioned by Mr. Mann] with warehouses, and they did charge more than our regular warehouses would have charged for the handling of the same kind of shipment in and out of their warehouse. I lay this charge, however, to the fact that the charges as assessed by the carrier were higher than our regular warehouse charges and thought perhaps that the warehouseman was taking advantage of this fact and charged us accordingly, which I presume would be perfectly legal in view of the fact that they are handling the matter for a carrier."—*Ralph F. Hinga, traffic manager United Grape Products Sales Corporation, Buffalo, N. Y.*

"I do not know whether I have ever had a public warehouse advance their rates 100 per cent on account of goods having been refused by a consignee and turned over to the warehouse company. It does not seem to me that any such procedure is fair, and I believe that if it is not fair and if there are not reasons to justify such procedure it will react on the warehouse making the charge and

be a bad thing for the warehouse in the long run. A number of times I have had a warehouse company set aside a case or two of goods damaged in a car-load shipment and consider the damaged goods as a separate lot and assess minimum charges on the goods, and I never felt this was the right thing to do. On the other hand I have never objected to a warehouse making a charge for sorting or reconditioning damaged goods, and think a charge of that kind is justified."—*Harry W. Tilden, Aunt Jemima Mills Branch, Quaker Oats Co., St. Joseph, Mo.*

"We have felt that in one or two cases the charges which we were assessed were much too high when compared to the charges we ordinarily pay warehouses regularly used by us for storage and distribution purposes. . . . It seems that our Minneapolis friend has had a sufficient reason for complaint and there is no doubt in our mind but that there are others who are also in a position to confirm the statements contained in your article. We are glad that the matter has been given publicity and we hope the result will be favorable to the entire shipping public."—*C. V. Wake, traffic manager Hoosier Manufacturing Co., New Castle, Ind.*

"The practice is more irritable than serious. The total volume of business handled in this manner is so small with the individual manufacturers that the expense per year amounts to practically nothing. It is rather aggravating, however, to find a shipment which sells for ten or twelve dollars has accumulated charges, which in some instances amount to as much as the cost of the shipment. It would be far better to abandon the property. This particularly so in the East, where the carriers seem to store freight in warehouses before they give the shipper time to furnish disposition. Disposition may be furnished within a week or ten days, and still the goods have been shipped several hundred miles from their original destination, placed in public warehouses—all, of course, at the expense of the shipper. . . . It would seem that the warehouses are hardly justified in taking advantage of a situation of this character to charge rates way out of proportion to their charges on ordinary business."—*R. J. Wallace, Jaques Manufacturing Co., Chicago.*

"We have had similar instances of this kind as to the warehouse charging exorbitant drayage and warehouse charges on shipments identical to Mr. Mann's. It is very annoying but we have always paid the bills and tried to keep away from it as much as possible. It would be a very fine thing if some kind of a maximum rate could be established by the various warehouses and cut out these exorbitant charges."—*Eugene Wallace, traffic manager Kellogg Company, Battle Creek, Mich.*

Texas Firm to Build

The Jones Transfer & Storage Co., Inc., Harlingen, Tex., is planning to erect a \$40,000 warehouse.

Railroads' Terminal Arrangement at St. Louis Is Sustained by I. C. C.

Carriers' Policy of Favoring One Transfer Company Is Held Not to Be in Violation of Law, but Proposed Tariffs and Schedules Are Considered Unsatisfactory, and Hearing Is Kept Open for Study

By ROBERT C. MCCLELLAN

DISTRIBUTION AND WAREHOUSING'S
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WASHINGTON, D. C., July 2.—While the majority of the members of the Interstate Commerce Commission are agreed that the plan of the railroads in the St. Louis-East St. Louis Terminal district to confine as much of their trucking business as they can to one transfer company, is not violative of the Interstate Commerce Act, it is meeting with strenuous opposition on the part of protestants and a Commission minority.

In fact a Commission report on the outcome of the hearing on the question just made public reveals that the system of tariffs and schedules under the proposed plan is not satisfactory, and the investigation is being held open in order to permit the railroads to conduct a further and more detailed study of this phase of the problem.

Under the plan, the Columbia Terminals Co., St. Louis, would be given all the business of the off-track stations for all the railroads concerned, with the exception of the Chicago & Alton. The Columbia firm would also handle the haulage between such stations and the on-track stations of the railroads and the interchange of freight between the various railroads.

It is proposed also by the carriers, other than the Chicago & Alton, to reduce the number of off-track stations in St. Louis from 12 to 7, and at East St. Louis from 3 to 2.

The protesting group at the hearing were representatives of the St. Louis Chamber of Commerce, the St. Louis Shippers Conference Association, the Central Transfer Co., the Association of Team and Truck Owners, the Northwestern Industrial District, and a representative from "various shipping interests."

In the history of the case cited in the report it is developed that due to physical obstacles, as the Mississippi river

and the topography of St. Louis, and partly because of custom and usage, and for other reasons, less-than-carload freight has been handled through off-track stations in the section for an uninterrupted period of 63 years.

The practice grew up when some of the bigger railroad lines terminating in East St. Louis furnished rates for shipment to St. Louis on the other side of the river, making it necessary for them to establish the off-track station there, and handle the freight between the two points on teams, trucks, and drays.

Inadequate terminal facilities and keen competition have kept the practice in vogue to this day when the interchange is both ways between the two sister cities.

The Situation Reviewed

The following resume of the history of the system is contained in the report of the commission:

"During the early period of this transfer business the railroads were not particularly concerned with the charges made by the transfer companies for this trans-river service because such charges were added to the rail rates to and from East St. Louis. It was a matter of vital concern to the shippers of St. Louis, however, and a committee known as the Municipal Bridge and Terminal Commission was appointed by the mayor of St. Louis with the view of inducing the east-side lines to publish specific rates to St. Louis. In January, 1906, after numerous conferences, the carriers established joint rates to St. Louis composed of the rates to East St. Louis plus certain arbitraries, and these rates were made applicable to and from the warehouses of the transfer companies. These arbitraries being less than the charges of the transfer companies, the railroads became directly interested in the transfer costs. The adjustment so agreed upon mitigated but did not remove the dissatisfaction of the St.

Louis shippers and after renewed conferences the carriers finally agreed to establish rates to St. Louis on a parity with those to East St. Louis and to continue service to and from the warehouses, or off-track stations. This latter service was and is necessary because of the fact that the facilities of the Terminal Railroad Association were and are inadequate to handle the less-than-carload freight. When this practice was established the off-track stations became just what the name implies—stations designated in the tariffs where freight would be received and delivered in the same manner as though they were located on the carriers' tracks. It will thus be seen that the shippers of St. Louis have used off-track stations or their equivalent for an uninterrupted period of 63 years."

The plan was not to discontinue the system but to modify it somewhat, and to accomplish this the railroads introduced at the hearing a proposed contract drawn between them and the Columbia company.

By virtue of the contract the transfer company was to build and maintain at its own expense the off-track stations, and among other things to act as the agent of the railroad company in the collection of embargoes. The contract was to be put into effect and continued for a period of 90 days, at which time representatives of the transfer firm and the railroads were to go into conference with reference to the tariff schedules, the amount to be paid the Columbia company, and so on. The allowance fixed at that time would remain in effect for six months, when another conference would be held, the same to be repeated every six months.

One of the objections raised—that of the team and truck owners—was to the effect that the Columbia by virtue of its monopoly of railroad hauling will be in position to underbid other drayage concerns in hauling freight between its off-

track stations and traders' places of business.

The Commission majority answers this with the following statement:

"If the allowances paid to the Columbia for off-track station haulage are based upon cost of service, plus, or including a fair profit, it follows that it would have no excess upon which to shade its charge to shippers below a fair and reasonable figure. If, apart from its relation to the railroads, it can secure the private hauling of shippers in its private capacity of a drayage concern, it is entitled to the business the same as any other drayage company."

The Shippers' Argument

It was contended by the St. Louis Shippers Conference Association that the shippers of St. Louis are entitled to on-track facilities on the rails of the terminal; and that, if they agree to a substitution of off-track facilities in place of the on-track stations, their rights should be consulted. The Commission disputed this also, arguing that because the shipper was entitled to adequate service he could not dictate the means to effectuate it.

Counsel for the St. Louis Chamber of Commerce took the position that the proposed contracts with the Columbia would create a monopoly in contravention of the Sherman anti-trust Act. After an involved discussion of this contention the Commission dismissed it, with the following report:

"There is nothing in the so-called one-transfer plan in and of itself which is unlawful. Nor can we conclude upon this record that service under this plan will be inadequate. Experience, alone, will answer that question and if at any time the service becomes inadequate or is surrounded by practices which are unlawful the shippers have recourse to us through the usual channels of complaint."

All the protestants opposed the idea of reducing the number of off-track stations, with arguments that the present facilities were overtaxed and by the St. Louis Shippers Conference Association with the statement that the facilities had been in use so long they were endowed with the status of "usual places of delivery," that could not be abandoned without first consulting public interest.

These arguments, however, were parried off in the majority report of the Commission with the explanation that the question of an adequacy of a reduced number of stations was problematic and could be shown only by test or experience.

"The stations selected by the respondents are entitled to a fair trial and it is not to be assumed that respondents will fail to augment them if and when they fail to meet the reasonable demands of the shipping public," the Commission replied.

In concluding its findings, the Commission reported as follows:

"We have seen that there is nothing violative of the law in the proposal of the carriers to restrict the hauling for and on their behalf to a single transfer agency. Nor is the Act violated by the

continued maintenance of a constructive station at the west end of Eads Bridge, as proposed. In latter connection it may be well to add that although the maintenance of a constructive station as a sole facility for the receipt and delivery of freight could not be deemed a compliance with the requirements of Section 6, we see no reason why the maintenance of such a facility as an alternative form of delivery is a violation of that section, or of any other, so long as it does not result in unlawful discrimination or preference. Likewise this record is not convincing that unreasonable or inadequate service will result from, or that public interest will be adversely or unreasonably affected by, the proposed limitation in the number of off-track stations to be operated for the respondents, particularly if the suggestions herein made in respect of direct-delivery service are carried out.

"But there are certain features of respondents' proposals which we are not prepared to approve at this time. Among the most important of these is the complete lack of any showing that the allowances to be paid for these trucking services are based upon a cost study. On the contrary, in spite of the comparative ease with which such a study could have been made, we find that the allowances proposed for off-track station service represent nothing more than a vague sort of compromise. Moreover, there is a complete lack of balance as between those allowances and those proposed for the direct-delivery service.

"Accordingly, the proceedings will be held open in order to permit respondents to enter into a cost study with the view of determining the costs of the various services to be performed in connection with off-track station receipt and delivery, interchange between railroads, and in direct deliveries. If desired, one of our representatives will assist in the preparation of formulæ to be used in these studies."

Foresees a Monopoly

Commissioner Joseph B. Eastman, concurring in part, stated:

"With the thought that the service can best be performed by a single agency I have no quarrel. Very likely it is correct. But in creating a monopoly for this purpose over which they themselves have no direct means of control, respondents are incurring a serious and quite necessary danger.

"While the contract is for a limited term of years, it is probable that within that period the agencies which now are capable of competing with the Columbia for the business will by reason of the exclusive contract cease to exist, at least as formidable competitors, with the result that negotiations for a new or extended contract will be prosecuted under conditions much less favorable to respondents than now exists. There is no excuse in the railroad business for the creation of such separately owned and parasitic monopolies."

He then pointed out that the Columbia company was selected through no competitive bidding system in face of the

fact that the allowances to that company are higher than the present charges to the Central Transfer Co. Commissioner Eastman found a great deal of fault with the proposed contract between the railroads and the Columbia company and recommended a further and more complete study of the tariff question.

"Notwithstanding the unanimous opposition of the shippers represented in this proceedings, the carriers are seeking to eliminate all competition in the transfer of freight to and from off-track stations," said Commissioner Frank McManamy, who opposed the view of the majority of the commission.

Oklahoma Chamber Says Warehouse Is Needed Locally

One of the "major projects" of the Enid, Okla., Chamber of Commerce for 1929, says a statement received from that organization by *Distribution and Warehousing*, "is to interest a responsible warehousing concern in building a new fireproof warehouse in Enid." The statement adds:

"Enid has ten railroad outlets, more than any other city in Oklahoma. It is served by the Santa Fe, Rock Island and Frisco. In addition, more than 300 trucks daily handle shipments out of Enid.

"The need for a big warehouse is plainly apparent in Enid. Freight rates are unusually attractive on carlot shipments into Enid for distribution. Small truck companies now handle such carlot shipments as hardware, furniture, linoleum, soda fountains, stoves, farm machinery.

"Enid's population is 35,000. Its bank deposits are \$12,000,000. The principal manufacturing concerns are flour mills, oil refineries, dairy products and numerous smaller industries. A new \$1,000,000 fourteen-story hotel is under construction in Enid at this time."

Truck Terminal Is Incorporated by Tom Snyder

Articles of incorporation have been filed with the Secretary of State of Indiana by the Central Union Truck Terminal, Inc., which is a subsidiary of the recently organized Warehouse Distributing Corporation.

The officers of the new corporation are Tom Snyder, president, who is secretary of the Motor Truck Association of Indiana, Inc.; O. N. Hesler, vice-president, and William S. Frye, treasurer.

The plan of the corporation, according to Mr. Snyder, is to provide a State-wide system of truck lines linking the smaller communities with Indianapolis in an overnight delivery service. There will be about twenty-five large terminals in principal cities of the State. Established warehouse firms will be linked up with the system.

The capital stock consists of twenty-five shares of no par value stock, which are held by the company's officers.

"Promoting, organizing, developing and maintaining truck terminals throughout Indiana and other States" is the objective, according to the incorporation papers filed.

Legal Advantages and Disadvantages of an Incorporated Warehouse Business

Nineteenth of a Series of Legal Articles

By LEO T. PARKER,
Attorney-at-Law

GENERALLY speaking, the chief argument against an individual or a partnership incorporating a warehouse business is that the profits of a corporation must be shared with others. This is true because the law requires more than one stockholder to form an incorporated company. However, this latter disadvantage may be practically eliminated by permitting certain of the employees to own one or more shares of stock.

Another disadvantage of an incorporated business is that certain formalities, such as meetings of the directors, election of the officers, distribution of the profits and dividends, keeping accurate book accounts, and the like, must be followed in strict accordance with the law. Furthermore, authorization of unusual expenditures must be made by the proper officers very often at considerable inconvenience. Also, the cost of incorporating a company and the usual subsequent expenses must be considered.

However, probably it would be best to review the various

natural legal obligations of individual and partnership enterprises, in order to compare the advantages and disadvantages of corporations.

Individual ownership of a warehouse has its chief disadvantage in the fact that in case of financial disaster the sole owner must bear the total loss, whereas in an ordinary partnership business the partners bear the loss equally to the extent of their financial worth, and in a corporation the owners of stock suffer financial loss equal to their respective investments, unless by contract they assume greater obligations.

Another important disadvantage of an individual operating a business is that he is compelled to rely exclusively upon his own and his employees' efforts in the successful conduction of the enterprise. Moreover, the warehouseman is personally liable for the various acts of all employees committed within the scope of the employment.

IT is important to know that the law recognized two classes of agents or employees—namely, general and special. A manager, for example, is a general agent, because he is employed to perform all duties necessary to the successful conduction of the business. Generally speaking, a special agent is a common employee whose authority is limited to the performance of a single act or a special kind of service for his employer. However, the accomplishment of this special service may necessitate the performance of many different acts.

The individual owner of a business is liable only for such acts of a special agent that are performed within the scope of the authority given him by his employer. Moreover, when the special service is rendered, the special agent's authority is automatically ended and his employer is not responsible for subsequent acts.

On the other hand, it is well established that a manager may bind an individual warehouseman by all the acts within the general scope of the conduction and operation of the business. However, the legal authority of the manager may be limited if the warehouseman notifies the parties dealing with the manager of any special limitations of his authority.

Disadvantages of Partnership

A PARTNERSHIP is a written, verbal, or implied contract of two or more persons to place money, labor, and

Next Month

IN Mr. Parker's twentieth article, to appear in the August issue, the author will deal with recent higher Court litigations from which warehousemen may obtain dependable information on how to conduct their business with a view to avoiding liability for loss or damage to goods stored or in transportation.

Warehouseman as insurer, inherent defects of goods, night watchman service, posted signs with regard to responsibility, ownership of illegally-stored merchandise, ordinary care, receipts, goods confiscated through Court orders—these are some of the things discussed.

skill, or some or all of these, in a lawful business and to share the profits and bear the loss, either equally or in certain proportions. The whole capital may be advanced by one party, and the other contributes his skill in salesmanship or other labor.

The established rule of the law, relating to partnership, is that each active partner is individually liable for all debts of the partnership incurred by

any and all of the partners. Moreover, a partnership may be implied by the law, with respect to creditors, and persons who do not intend to be partners may be liable for the obligations assumed by the partnership.

In other words, the law often implies that a partnership exists for the sole purpose of holding a person, who has assets, liable for the debts created in the business venture.

Obviously, if no debts or obligations are incurred by a partnership and the members did not intend to form a partnership, there is no necessity of the law assuming that a partnership is in existence. Therefore, when the Courts interpret an agreement to determine whether a partnership exists as between the parties themselves, the customary rules of the law relating to contracts prevails.

For illustration, in the quite recently decided case, *Chapin v. Cherry*, 147 S. W. 1084, the Court announced the established rule of the law for determining, as between the partners themselves, when a true partnership exists, and said:

"Before there could have been a partnership contract, the minds of all the parties must have agreed to the same thing in the same sense and at the same time. . . . The terms of the contract must fix the real status of the parties toward each other. . . . The intention is to be ascertained from the whole of the contract from the actual relation it creates, and not from the

parties denominating it a partnership. Each is an agent for all the other partners, and if one has no capital invested, or has no business standing in the community, he might be a detriment, instead of a benefit, to the partnership. He could make unwise contracts in the name of the partnership and bankrupt it and its members."

Another important point of the established law is that all partners are *individually* liable in damages for any wrongful act committed by any other partner, or any employee of the partnership.

For example, in *Soberg v. Sanders*, 220 N. W. 781, it was held that any person who is injured as a result of negligence of a partnership employee may immediately file suit against any individual partner.

In this case a motor van, owned by three partners, ran over and seriously injured a pedestrian who, instead of suing the partnership, sued a wealthy partner individually.

It is interesting to observe that the lower Court held the individual partner not liable, but the higher Court reversed this verdict, saying:

"The members of a partnership firm are jointly and *severally* liable for the tortious act of one of the partners, or an agent or servant of the partnership, if committed in the course of his employment."

Non-Partner Liable for Partnership Debts

A PERSON who is not directly connected with a partnership business may be liable for the partnership debts if he induces others to extend credit to the partnership.

For example, in *Jansen v. Jacobsen*, 128 N. W. 824, the Court explained this phase of the law, and said:

"It is well settled that if one, by course of dealing with another, leads third parties to believe in the existence of a co-partnership, those dealing with the firm under such belief are entitled to hold responsible *all the apparent members of the firm.*"

So, therefore, while the important advantage of an ordinary partnership warehouse business is that two or more persons may unite their money, efforts, and ability for the purpose of conducting an enterprise, the great disadvantage of a partnership is that each active partner, or other who leads persons to believe that he is a legal partner, is personally liable for the total debts or obligations of the entire partnership.

For illustration, in a very recent case it was shown that one partner who was wealthy invested \$25,000 in a business. The other partner had no money but agreed to manage the business. The business became encumbered to the amount of \$45,000 above its assets. In this case the wealthy partner was held liable for the full amount of the liabilities and was compelled to pay the creditors, as the other partner had no money.

Still another important disadvantage of a partnership is that any partner

may bind *all* other partners to an assumed obligation, *irrespective whether he is authorized to make the contract*, provided the obligation is within the scope of the partnership business.

For instance, in the case where a partner without knowledge of other partners signed a contract to purchase a large quantity of merchandise, all of the partners were held liable on the contract, although the assumed obligation resulted in heavy financial loss to the partnership.

In other words, broadly speaking any act of a partner within the scope of the partnership business is legally equivalent to the act being approved by all partners. Also, while a partnership may be composed of several members either one of the partners has exactly the same authority to bind the partnership firm as an individual owner of a warehouse business has power to bind himself.

For instance, in *Bunnell v. Ward*, 217 N. W. 68, it was held that a receipt signed by one partner is equally as binding on the other partners, as where all partners sign it. Moreover, a signature of *one* partner to any obligation within the scope of the partnership business is legally equivalent to the signatures of *all* partners. Therefore, while each partner owns only his interest in the partnership, yet he has full power to bind himself and all other partners.

The Law of Corporations

AN important advantage of a corporation is that the latter never is liable for any act of an employee not within the scope of the employment, and, also, such act must be within the scope of the business as defined by the charter.

Moreover, any person who transacts business with a corporation is bound to know that the official capacity of the individual, who represents the company, is such that he is legally authorized to bind the corporation.

For instance, in *Treasurer v. Macdalle Warehouse Co.*, 160 N. E. 434, it was disclosed that a warehouse corporation discontinued its business and transferred all the goods then in storage to another warehouse company. About six months later the director, manager and the treasurer, who owned all but two or three shares of stock in the discontinued company, opened a warehouse and used the original corporation's name without authority of the directors. He accepted goods for storage and issued warehouse receipts on the corporation's blank receipts which had been used by the company at its former address.

Several thousand dollars' worth of the stored merchandise disappeared from the warehouse, and the holder of the receipts sued the corporation to recover the value of the goods.

The testimony proved that after the business was discontinued at its location the directors of the company had not given authority, express or implied, to McCaffrey to reopen the business at the new address, but that discontinuance of the business was voted at a regular meeting of the directors.

Notwithstanding the fact that the treasurer owned all but two or three shares of stock in the company the Court held that the operation of the new business was illegal, saying:

"Acts and declarations of McCaffrey [treasurer] as an officer of the corporation are binding upon it only to the extent that such acts and declarations are within his express or implied authority . . . McCaffrey, although director, treasurer and general manager, as such did not have unlimited authority to bind the corporation by his acts."

Also, in a recent case (11 S. W. (2d) 654), the Court held a corporation not liable for a lease signed by the vice-president, saying:

"Corporations can act only through agents, and it is elementary that one who seeks to hold a corporation liable upon a contract made by an agent has the burden of proving, not only the execution of the contract for the corporation, but the authority of the agent through whom it is claimed the corporation acted."

Differentiating Corporation Obligations

IT is, also, important to know that while an individual is liable for contracts made by an employee, who acts within the scope of the employment, and a partnership is liable for all acts of all partners, within the large scope of the business, a corporation is *not* liable for contracts made by an employee who acts within the scope of his employment and within the scope of the business, but *outside the scope of its charter.*

In fact, corporations are not liable for obligations created by contracts signed by duly elected officers, unless the subject matter of the obligations may fairly be construed as being within the scope of the corporation's charter.

Moreover, a corporation is not liable for unauthorized contracts made by its officers, particularly where the company is not benefited. For example, in the leading case of *E. O. Painter Co. v. Boyd*, 114 So. 444, it was disclosed that, without authority, the secretary and treasurer of a corporation and its head bookkeeper entered into a contract intending to bind the corporation. However, the company was not benefited by the act performed. In holding the company not liable, for the obligations assumed under the contract, the Court explained the law on this subject in the following language:

"It would seem to be a sound principle of law that wherever a corporation is acting within the scope of its legitimate purposes of its institution . . . it being the general rule that the burden rests upon one who seeks to hold a corporation liable for an act on a contract of an officer or agent to show that the doing of the act or the execution of the contract was properly authorized or that it was properly ratified by the corporation."

However, generally, a corporation is liable for the unauthorized acts of any agent, employee or officer, if the directors of the corporation ratify the agree-

ment, or permit the corporation to benefit by it.

For example, in *Liverpool v. Aleman*, 117 So. 554, it was disclosed that the directors of a corporation adopted a resolution to borrow money without obtaining the stockholders' approval and without entering the same on the books. A mortgage was given on the company's property to secure the loan.

Later the corporation contested the validity of the mortgage on the grounds that the loan was not legally made because it had not been properly authorized. However, the Court held the holder of the mortgage entitled to payment, stating the law as follows:

"A corporation which has received the consideration of a contract is not allowed to defend against an action on the contract on the grounds that the provisions of its charter . . . were not complied with by the officer acting for the corporation in the execution of the contract."

Special Advantages of Incorporation

ANOTHER important advantage of incorporating a warehouse business is that the corporation's credit is firmly and quickly established, because it is comparatively simple for credit associations to obtain dependable reports of the financial status of a corporation, as its books are open for inspection, and a detailed report of the profits and losses of the business is rendered at frequent intervals.

Still another advantage of an incorporated business is that the stockholders ordinarily may lose nothing in excess of their actual investment in the stock if the company becomes insolvent.

For illustration, suppose a warehouse

business is incorporated for \$350,000 and the company incurs—without fraud—debts or other liabilities amounting to \$700,000. The stockholders are not personally responsible for a greater financial loss than the actual value of the stock held by them.

Furthermore, where the business failure is not tainted with fraud, the credit and reputation of the individual stockholders is not in the least affected by reason of the corporation being unable to meet its financial obligations, as is invariably the result where an individual or partnership encounters financial disaster.

The reason for this well settled rule of the law is that a corporation is a legal entity, distinct from its stockholders. (215 N. W. 855.)

On the other hand, under certain circumstances the stockholders of a corporation may enter into a valid contract personally to bind themselves for the debts of a corporation in excess of the stock valuation.

For illustration, in *Thomas Business Ass'n v. Pearson*, 260 Pac. 623, it was disclosed that a stockholder signed a guarantee to pay the indebtedness of the company. The Court held the signer liable on the contract, notwithstanding that the debt of the corporation greatly exceeded the par value of the stock which he owned, saying:

"In the present action the defendant [stockholder] agreed to pay the money in order to enable the corporation in which he was financially interested to pay the debts guaranteed by him and to continue in business. He was agreeing to invest his money in a business enterprise."

Barge Line Practice of Storing Sugar Is Protested by Warehouse Industry's Spokesman

WAREHOUSING'S position with regard to Federal barge line competition with relation to storage of sugar is made clear in letters which R. W. Dietrich, New Orleans, as spokesman for the merchandise division of the American Warehousemen's Association, has written to United States Senator Wesley L. Jones, Washington, and Representative James O'Connor in reply to communications which the two legislators had earlier received from Major General Ashburn, head of the Government-operated Inland Waterway Corporation, and Secretary of War Good.

In his letters, Mr. Dietrich, who is chairman of the division's committee on traffic and transportation—river and lake ports—contends that the only function of carriers, including barge lines, is "goods in movement in transportation," and that taking care of goods at rest is the function of warehousing.

The Federal barge line was engaging in the warehouse business without legal warrant, Mr. Dietrich charged. The line's claim that its free storage-in-transit arrangements were the same as the railroads' was not correct, he declared, nor was the line's claim of ap-

proval, by the Interstate Commerce Commission, of the free storage arrangements. He further told the legislators that the barge line was engaging in flagrant discrimination against A. W. A. members in Memphis and elsewhere by allowing storage-in-transit rates only in such warehouses as were owned and operated by the line.

Railroads' Practice

In reply to General Ashburn's assertion that, because of the expense entailed, sugar could not be turned over to public warehouses for storage, Mr. Dietrich wrote:

"The railroad practice on goods stored in transit in warehouses of our own members is as follows:

"The inbound carrier absorbs the expense of switching and bringing car to its interchange track or to our warehouses; the outbound carrier absorbs any switching expense involved in switching car away from our warehouse or to its interchange track with carrier serving our warehouse.

"It seems to us that the barge line is very careful of expense in questions of delivery to warehouses of our mem-

Personal Liability of Corporation Officers

THE law is well established that any officer or executive of a corporation is personally liable to any person who suffers financial loss as a direct result of entering into a contract, while relying upon false statements made by the officer or executive, particularly when convincing testimony is presented to the Court showing that such statements were known by the officer or executive to be false.

At common law many years ago an employee was personally responsible to third parties for doing something which he *ought not* to have done. Furthermore, the agent was liable to his employer, as well as to third persons. And everyone, whether he was principal or agent, was responsible directly to persons injured by his own negligence, in fulfilling obligations resting upon him in his individual character and which the law imposes upon him independent of contract.

The present law is broadly established that no man increases or diminishes his obligations by becoming an employee. However, if an officer of a warehouse corporation contracts with a person, without authority of the corporation, he may be liable for any injury resulting from this unauthorized act.

On the other hand, a warehouse officer or executive is not responsible to third persons for his negligence in the performance of *ordinary duties which are performed in a reasonably accurate manner*, as he cannot, as agent, be subject to any obligations toward third persons, other than those of the corporation

bers, but very liberal when our warehouses are prevented by the barge line tariff from getting storage they formerly enjoyed. This almost seems as though the barge line tariffs were so designed; for instance, Item 3475-A, Supplement 7, Barge Line Tariff No. 9-F, provides that "where sugar is removed within the free time, no charge will be made for handling into storage and out of storage (two handlings free). When sugar is withdrawn from storage in the barge line storage facilities and loaded into cars and switched to points within the Memphis switching district, the barge line will absorb the switching charge."

"If the Mississippi-Warrior barge line can afford to pay handling and switching charges on goods moving from storage in its warehouses to points within the Memphis switching limits, we believe it can pay such charges on goods stored in transit in the warehouses of our members at Memphis and other points where it makes such allowances."

The Warehousemen's Association of the Port of New York recently adopted a resolution with regard to barge line sugar storage. See this month's "With the Associations" department.

Wanted: A Standardized Container for the Household Goods Warehouseman

Survey Shows There Is No Uniformity Today With Regard to Name, Construction, Painting, Material, Locks, Etc.

WHAT should constitute an ideal moving or packing box for the house-to-house work of the progressive furniture warehouseman? Is there such a thing today as a standardized box? Would the industry be interested in having such a piece of equipment placed on the market?

In recent weeks *Distribution and Warehousing* has been gathering information in an effort to answer these queries. A questionnaire was sent to a representative list of 250 household goods storage executives by W. D. Leet, Chicago, the magazine's western manager. Replies came from 116 warehousemen, and the returned questionnaires were in some instances accompanied by letters which indicated that the writers were keenly interested in the situation and would like to see the development of a standardized moving or packing box.

The replies show that there is nothing like uniformity in relation to any one of the following points: name, with or without either permanent or detachable cover; construction; painting, varnishing or stencilling; material—wood,

wire, steel, and so on; locks; and season of purchasing.

The inquiry was made by Mr. Leet in cooperation with the G. B. Lewis Co., manufacturers of containers in Watertown, Wis. This firm has a woven wood-and-wire constructed box which is built to last three or four times as long as rigid wooden boxes. One of the Milwaukee warehousemen who uses the Lewis boxes has informed the company that he owes his increased business with the most desirable class of customers to the employment of these boxes, for which the warehouse firm gets a good rental. The Lewis company exhibited several of the boxes, illustrated herewith, at the Mackinac Island convention of the National Furniture Warehousemen's Association last month.

According to Lewis Parks, general sales manager of the Watertown company, and who attended the Mackinac meeting, these boxes have been subjected to tests in Government tumbling drums and were proven to be five times as strong as the solid wooden rigid boxes now being used by so many of the warehousemen.

Container Names

THE first query on the questionnaire was "What name do you give boxes used for packing and carrying small articles?"

The replies showed a diversified nomenclature applying to the containers. They include the following:

Barrels	Moving baskets
Baskets	Moving boxes
Book baskets	Moving cases
Book boxes	Nested baskets
Boxes	Office moving boxes
Carry-all	Packing baskets
Carrier baskets	Packing boxes
Carrier baskets	Service boxes
Carrier boxes	Service crates
Carry boxes	Transfer cases
Carrying boxes	Tubs
Carry-crates	Van baskets
Carry-hampers	Van boxes
Cartons	Vase cases
Handy boxes	Veneered boxes
Hampers	

Book boxes, moving boxes, carrying boxes, boxes and hampers were the names generally favored.

Covers

The second question was "Is your box used with or without cover?"

Eighty-two warehousemen answered this query. The vote stood 42 "without" cover and 28 "with" cover, while 12 reported they used containers of both kinds.

Question No. 3 was: "Would you pre-

fer a box with a detachable cover?"

Seventy-three executives sent replies. Of these, 54 answered "No" and 16 "Yes." One said "Possibly," one "If practical" and one "Sometimes."

Capacity

"What size box do you prefer?" was the fourth question. "State bushels capacity or outside dimensions."

This brought eighty-three replies. A wide range of sizes was indicated. There were only a few instances where two sizes were alike. Bushel varieties reported were 1, 1½, 2, 2½, 3, 4 and 6; the average was 4.75 bushels. The average of the containers, as expressed in terms of cubic-foot capacity, was 10,248.8 cubic inches. Some executives gave such answers as medium, various, average trunk size, and "several—no standard."

"Are collapsible or rigid boxes preferred?" was the fifth query, which brought 74 responses. The preference was for the rigid type—by a large majority. Only six warehousemen favored collapsible boxes.

Outside Surface

The sixth question was "Are boxes desired painted, varnished or merely stencilled?"

Again there was no uniformity or pref-

erence. There were 75 answers. Twenty-eight warehousemen reported they stencilled their containers, and 20 used paint. Fifteen used a combination of stencil and paint, and 4 a combination of stencil and varnish. Two used varnish and one a combination of paint and varnish. One painted his name only. Four replied "Unpainted," one commenting "Paint not necessary," and another saying paint would be a good idea.

Supplementing this sixth question was "If painted, what color is desired?" The replies indicated that this was probably a problem of taste. Many preferred to have their containers the same colors as their other equipment, with often the containers stencilled in black. Colors mentioned included blue, yellow, green, orange, gray and brown. Shades of green and red seemed to predominate. The majority apparently did not consider this supplementary query of sufficient importance to answer.

Material

"What type of box are you now using?" was the seventh question. "All-wood, woven wood-and-wire or wood-and-steel?"

Again no uniformity, although wood entered into the construction of virtually all the containers. Forty-nine ware-

housemen used all-wood equipment. Fourteen used wood-and-wire boxes, including one type with steel clasps. One container reported was of woven wood and zinc; another, of wood steel-banded; another, slatted wood; another, wood with slatted sides; another of wood and metal strap woven; another, wood and woven wood; another, wood and steel; another, wood with metal corners; another, wood iron-bound, etc. Some containers had handles and others not.

Fastenings

"If hinged cover," read the eighth question, "state preferred locking device. Do you prefer a solid staple hasp for a padlock or do you prefer using a flat tin automatic or a twisted wire seal?"

This brought reports of a variety of favored methods, including:

Padlocks; wire seals, some numbered; hinge covers, locked or sealed; automatic; solid hasps; hasps and locks; sash cords; twisted wire steel; hasps and tape seal; nails; hinges and latch locks; staples and hasps.

Some warehousemen believed locking not necessary; several locked containers on special jobs only.

Quantities

The ninth question was "In what quantities do you buy?"

Twenty-four executives said their companies made their own containers as needed; one produced a thousand at a time. One warehouseman used second-hand boxes. Thirteen bought in lots of from one-third dozen to twelve dozen; six in lots of a hundred; five in lots of 50 to 100. Other quantities mentioned were 20 to 25; 25; 50; 100 to 150; "25, 50 and 100"; 200 to 300; 200 to 2000; 600 to 1000. One purchased moving boxes by the 250 and pasteboard boxes by the 1000. Another recently bought a carload.

Season of Purchase

The tenth and last query was "At what time of year do you buy?"

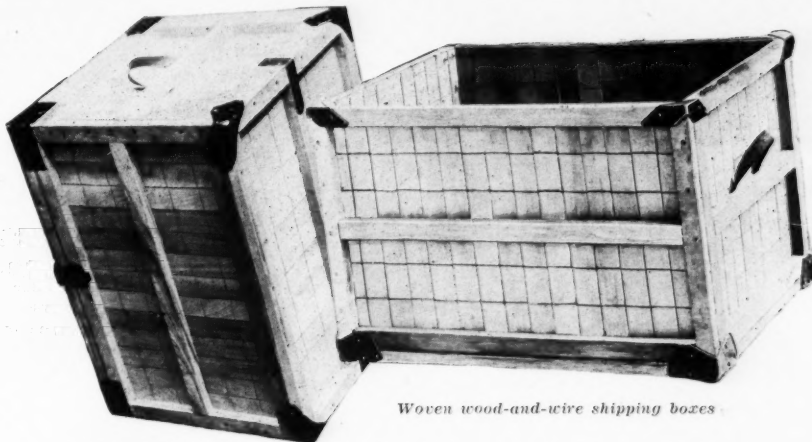
Nineteen warehousemen replied "When needed" or "As needed." Other answers were spring, early spring, slack season, before rush season, off season, any time, all year, early summer, first of year, no regular time, every two years, summer, February, June, August. As one executive commented: "Apparently there is no fluctuation in the market."

Further Facts

MANY executives manifested their interest in the subject by writing detailed letters regarding the uses of their containers, the prices paid for them, etc. From the communications can be gleaned the following which may contribute interestingly:

Some houses have two classes of boxes. One is a loan box, which is painted and stencilled. The other is sold outright to customers; this is bought locally and is second-hand.

One executive prefers uncovered boxes because often bulky packages will not fit into containers with covers. The same



Woven wood-and-wire shipping boxes

Containers of this type—one, on end, with cover, and the other without cover—were displayed at the summer convention of the National Furniture Warehousemen's Association at Mackinac last month by the G. B. Lewis Co., the manufacturers, of Watertown, Wis.

warehouseman supplies rigid, rather than collapsible, boxes, because experience has shown him that when rigid boxes are delivered in advance to the customer the latter does some of the packing. Also he has stopped painting boxes as a costly job, because it is sometimes impossible to get the boxes back from the customer. The boxes are charged for, to the customer, at \$1.50 each, but the customer gets a credit of \$1 for each one returned.

One executive comments:

"We feel reasonably sure that if a uniform box were adopted it would make a very much more satisfactory handling of miscellaneous articles in house to house moving."

One firm uses second-hand boxes such as those which encase typewriters and adding machines, and makes its own containers from salvage lumber.

Various companies make nominal extra charges for the use of the boxes; others make no charges.

Several executives write that they do not use boxes or baskets of any kind and consequently are in need of information contributed by other warehousemen.

According to another, baskets and boxes "have become practically obsolete" as carriers in his city, barrels being more serviceable.

One warehouseman, who believes that standardization of containers should be worth while, emphasizes the advertising value accruing from the company's name stencilled on the boxes.

Expensive boxes have been abandoned by one firm in favor of corrugated cartons because customers retained the expensive ones. Thus losses have been eliminated.

One firm uses uncovered boxes on moving jobs until they get soiled and lose their freshness of appearance and they are then used for packing for shipment after lids have been affixed.

At this time, with all the long distance moving that is being done, a warehouseman suggests, "it seems that a collapsible container would be more prac-

ticable if it could be made to stand the racket."

Cost

Here are some of the container prices as set down by various executives:

Hampers, \$9 to \$12 each.

Book baskets, varnished, lettered and numbered, about \$5 each.

Folding boxes, 14 inches wide, 12 inches deep and 30 inches long, \$1.90 each.

Fiber board boxes, obtained from local dry goods houses, 25 cents each.

Wooden boxes, 36 inches long, 18 inches wide and 18 inches deep, \$3.50 each.

Cartons, 20 by 20 by 12 inches, 12½ to 15 cents each. The warehouse company using these sells them later for 30 cents apiece!

Evans Company Expands

The Evans Transfer & Storage Co., Kansas City, has opened a merchandise warehouse at 1325-1327 St. Louis Avenue. William J. McCaffrey, formerly with the Crooks Terminal Warehouses, is manager of the warehouse division at the new plant, and C. A. Evans, son of H. S. Evans, the firm's president, is manager of the transfer division.

The company is planning the erection of a fireproof warehouse within two blocks of the present location.

P. R. R. Warehouse Planned for Jersey City

The Pennsylvania Dock & Warehouse Corporation, a subsidiary of the Pennsylvania Railroad Co., has filed plans in Jersey City, N. J., for the first unit of an extensive three-unit pier and warehouse development on the Jersey City waterfront.

Forest Monger Builds

The Forest Monger Transfer & Storage, Richmond, Ind., is erecting a \$25,000 fireproof addition to its warehouse at 519 North D Street.

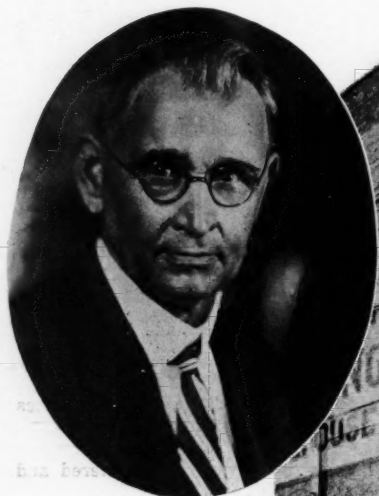
No. 74

Louis Leritz

By MERRYL SCHWIND

Success Story

Let's Take the Family A

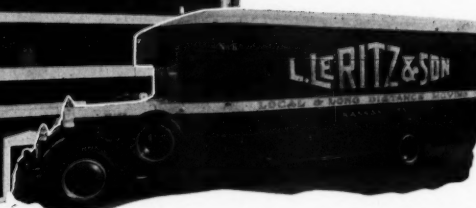


Above, Louis Leritz, founder and supervising head of L. Leritz & Son, household goods warehousemen in Kansas City, Mo.



Left, the Leritz furniture storage plant which grew from a tiny office and one unpaid-for wagon in 1894

Below, one of the Kansas City firm's modern pieces of moving equipment



L. LERITZ & SON is the way it reads in the telephone directory and on the letterhead. "L. Leritz, Son & Daughters" is the way it might read if the name were truly to represent the personnel of the business—for the Leritz firm in Kansas City, Mo., is a family one in the real sense of the word.

Louis Leritz, the founder, is the supervising head. Ellis Leritz, the son, is manager of the company. Edna Leritz, a daughter, acts in the capacity of secretary. Bessie Leritz is the silent member; although her sphere of activity is in keeping the home, she has an equal share and interest in the business with the others.

Thus the whole family is associated in one of the city's outstanding furniture warehousing organizations—a firm which has grown out of the modest start made by Louis Leritz in 1894 when, with a tiny office and one unpaid-for wagon, he launched his career in the moving business.

It was more or less by chance that Mr. Leritz entered this line of industry. Born and reared on a farm in Illinois and one of a family of eight, he was well schooled in agriculture. He married at the age of twenty-five and a year later left his father's farm, in Illinois, for Missouri, where he bought a farm of his own, near Hardin. The land looked good to the young farmer, but he was un-

acquainted with the vagaries of the Missouri River and for several years he was flooded out. By 1894 he had lost his land and, encumbered with \$1,200 in debts and with a wife and three small children to provide for, he went to Kansas City and started in the moving business.

Although this choice was chance there was nothing accidental about the growth of the Leritz Moving Co. and later the Leritz Storage & Moving Co. From his start in the moving branch he began to plan for the time when he could have a storage house. The first furniture wagon was bought on \$15-a-month payments, and not until the full \$300 had been paid out did Mr. Leritz purchase his second rig. His idea was to make the business pay for itself, and his plan has always been a rule with the company, which has never had a dollar of borrowed capital in it.

It is not easy for a man without money to get a warehouse, however, so for fifteen years Mr. Leritz continued to build up his moving business. Then, when he opened his first storage plant, it was housed in an abandoned church.

(Concluded on page 58)

No. 75

Robert E. Manning

By ELIZABETH FORMAN

Success Stories

Family Album Out of Storage!



In oval, Robert E. Manning, operating head of the Manning Warehouse & Transfer Co., Portland, Ore.

Left, the Manning merchandise storage plant in Portland

TO W. G. Manning, recently retired from active management of the Manning Warehouse & Transfer Co., Portland, Ore., "the war" means a certain heated argument which the United States once entered into with Spain. He enlisted and joined the fracas when he was seventeen years old and just out of school. Returning from the Philippines, he got a job—collecting bills for the Overland Transfer Co. In 1905 he decided that the time had come for him to go into business for himself, so he bought out the firm for which he worked.

In 1912 his brother, Robert E. Manning, became associated with him in the new venture. R. E. Manning is the present operating head of the company there, therefore is the logical subject of this sketch.

In the early days of the Manning firm's existence the business was conducted very largely on high hopes and a low bank roll. Smiling over the experiences of a brother warehouseman who had struggled along for a time on \$40 a month, the younger Manning declares that he has no such story to tell because it was many years before he had forty dollars a month.

Having no capital invested, and no money with which to operate the business, the Mannings just "plugged along," paying their bills when they could—a habit which they declare still clings to them.

Then came the other and greater war. Up to that time warehousemen had not been able to charge uniform and fair rates, being compelled to take whatever they could get for storage and hauling. Manufacturers were obliged

to use warehouses in a big way during the hostilities, however, and the Manning business prospered on profits.

The company moved to its present quarters, at Ninth and Hoyt Streets, in 1903. It now occupies a brick building six stories high and containing 70,000 square feet of floor space. It specializes in general merchandise, besides operating about twenty field warehouses in Washington and Oregon. These are conducted for the convenience of canneries and lumber concerns by the simple process of leasing a building, putting up a sign, and carrying on business as a public warehouse while the cannery or lumber interests raise money for operating expenses by negotiating the warehouse receipts issued.

There are thirty employees on the Manning payroll. Motor trucks move merchandise to and from the company's storerooms. It is an interesting business, declares the rather youthful head of the concern—perhaps the most educational business in the world, with its different methods for everyone. It is a pleasant business, too, if one may judge by the surroundings in the executive offices of the Manning establishment. There are old-fashioned garden flowers on the desk, and one wall is almost entirely covered by a painting of an interesting bit of scenery along the Columbia River. Portland, the occupant of the room will tell you, has some of the finest scenery in the world.

The Price of a Great Asset*

By CHARLES S. MORRIS

WHEN the request came from our secretary for me to speak at this meeting on the necessity of our members cooperating with their local associations, the request met with a prompt reply in the affirmative, for the subject is of great importance and very close to my heart.

It is an assignment which carries with it some responsibility; still, after an active participation in associational activities for over a quarter of a century, I hope to convince you gentlemen that I am qualified to discuss this subject so vital to us all.

The history and development of household goods storage is known to most of you and a rehash of same would be but a waste of time—yet the cause, the need for and the development of trade associations in connection with our industry are as vital today as ever, and I will endeavor to emphasize the responsibility, as I see it, of every man who subscribes to membership in the National Furniture Warehousemen's Association.

The storing of some commodity or other is as old almost as civilization itself. From the crudest of beginnings it developed into a business, and with business came a natural competition, then bitter competition, price slashing, unethical practices and all the gross injustices which man created. Competitors hated each other for no other reason than that they were competitors. Individualism ran wild, rampant and unrestrained; few, very few, warehousemen knew each other; suspicion, distrust

and hatred grew apace and development was stultified.

No man can say what might have been the outcome had this drab situation continued to endure.

However, over thirty years ago, thanks to the advanced thought and progressive spirit of a small group of warehousemen, an association† was given birth—the first association in this country to represent the furniture storage industry; the first vehicle by means of which men in our line of business might get together, become acquainted and brought face to face with the problems of a then comparatively new business. The first thoughts in the minds of the founders of the mother association of our industry, as set forth in the by-laws, were harmony, friendship, confidence and cooperation.

From that modest beginning associations have been born and developed throughout the United States and Canada—some local, some State-wide, and others embracing a certain region—closely knit, cooperative bodies creating forums for the discussion locally of our industry needs; each serving a proven need for valuable and effective community service.

There was then, and there still is, need for local associations. They are in best position to bring men together, get competitors acquainted, develop friendships, mellow antagonisms, study local problems, meet local needs and for improving the service with which we cater to the public.

THESE local, State and regional associations have justified their existence. They have earned recognition as to their worth. From their councils have come much of intrinsic value, and many of our present day formulas for business conduct and guidance are traceable directly to activities originating in these local bodies.

Local associations are responsible for a tremendous amount of missionary work in sowing the doctrine of coordinated effort.

They have been a stabilizing influence, and their accomplishments must convince the most skeptical that the need for them is still imperative.

It took a lot of activity, together with a great amount of devotion, to create

PUBLISHED herewith is the feature address at the summer convention of the National Furniture Warehousemen's Association. Endorsed in principle by the delegates, Mr. Morris's paper is to be printed in pamphlet form and will be widely distributed among household goods storage executives.

When the National was organized, in 1920, Mr. Morris was elected its first president. He is president of the Metropolitan Fireproof Warehouse, Inc., New York City, and is treasurer of the N. F. W. A.

these worthwhile local associations, and then it required a hundredfold as much devotion and activity to keep them worthwhile after they had been created, and that is where individual responsibility enters into the picture.

It was from the productive fields of local associations that this association was made possible, and many who have made valuable contributions to the history of our industry had their elementary cooperative training in local associations.

This short sketch of the past has but one aim—to remind, lest we may forget, of the volume of valuable information which the history of local associations has created, and upon which the balance of my talk will be predicated.

*Address at July, 1929, convention of National Furniture Warehousemen's Association.

†New York, Furniture Warehousemen's Association.

In the foregoing I have dealt superficially with the advent and the development of the association idea in our industry, and that brings me to the birth of this National association with its broader expression and its enlarged opportunities.

Its development has been dramatic, but natural; the industry was in a receptive mood. The success of the National Furniture Warehousemen's Association speaks for itself.

I now desire to convey to you gentlemen what I believe should be the attitude of this National Association toward the encouragement, development, upholding and solidifying of local associations.

It cannot be successfully contradicted that the activities of our organizations have had a widespread influence on our business growth and on the attitude of the public toward our business, but this effectiveness is seriously endangered by the man who refuses to play the game on his home grounds.

Ethics Being Ignored

Regretfully, I must stress the fact that from many sections of this country come the discouraging reports of a lack of cooperation, an ignoring of ethics, a discarding of loyalty to local associations and a general disregard of costs in rate quotations, bringing with this disregard all sorts of trickery and sharp practice which must be rapidly halted before the injury done be irreparable.

One danger to the stability of our business is uninformed competition, but the gravest danger is how far an unintelligent competitor might go in his warfare on stabilized rates. By unintelligent competitor I mean the man who does not know his costs and refuses to heed the findings of the experienced. He who bases his prices on haphazard guess to quote below the other fellow any old rate at all—just to get the business.

A price cutter brazenly ignores his responsibility to his industry.

How well do I remember the slogan of a western warehouseman, now deceased: "Know your costs and never do a job at less than cost." What a world of truth there is in that trite sentence.

Price cutting is never a cure. It is an irritant. Over-production of storage space in some localities has created keen competition, but price cutting is not the cure. There is a perceptible falling off, in some parts of this country, in the demand for storage space, but price cutting is not the cure.

Price cutting never cured anything. Rate wars bring reprisals upon reprisals and no one dare predict what the end might be.

Right here I wish to refer to a pamphlet recently mailed by Secretary Reimers and credited to B. C. Hubbard of Grand Rapids, on the subject of price cutting. Study well that pamphlet and learn from cold figures the inroads into profits that are made by the slightest cut in rates.

Price cutting is a most dangerous and

destructive element and an expensive activity. It is like a fire—it may be possible to trace where it started, but no one can predict where it will stop.

Price cutting never builds. It destroys, disrupts and devours. It costs friends, lowers the rate slashers' self-respect and offers nothing in return but a disorganized industry and a disrupted service.

Is it worth while?

I have been an organization man sufficiently long to know that there is bound to be a variance of opinions, misunderstandings and disagreements. Contention is a human trait and manifests itself at times, but price cutting will not settle arguments! Vent your spleen and have it over and done with—and then turn in and cooperate for the good of all.

It took years of cooperative effort to build the substantial structure of which we are so proud. Don't pull it down on your own heads. That is the one thing price cutting will do!

Competition is the life of our business and cooperation is the very breath of that life. Price cutting is poison and the sure death of all cooperative effort.

Would that there was some patron saint of our industry with sufficient organizing ability to teach men to believe in each other, to bury suspicions and hatreds, to play fair and compete on a basis of service rather than on a basis of price, thus protecting our margin of profit and automatically putting our industry on a plane that would win the respect of all with whom we do business.

Our business has a larger measure of public confidence today than it had yesterday, and it will have a greater degree tomorrow if correct practice in every locality be insisted upon. It is vital for our members by their actions in their respective localities to maintain that confidence. All progressive thinking men realize this, yet live in fear of the inroads of the member who refuses to shoot square and play fair; thus we, of the National, are brought face to face with this serious situation:

Are we to permit standards to be lowered to meet such competition, or are we going to use every legitimate means at our disposal to hold every advance for business betterment and for public confidence which we have made?

"A Growing Menace"

Our magnificent structure of business stability is threatened by a few misguided individuals who, for reasons best known to themselves, think they can go it alone and ignore the findings of their home association.

This disregard, on the part of some of our members, for the need of local cooperation is a serious and a growing menace to future development. It will break down morale, breed a lack of confidence, injure the whole fabric of our industry and strike at the very things that are fundamental and dear to the hearts of all conscientious warehousemen.

Is this situation to be permitted? I do not think so.

There is a great peril in just *merely belonging* to an association—being content by saying "I'm a member, am I not?", "I pay my dues, do I not?", and letting it go at that. The test of a man's value to his association is the service that he renders to it. Enjoying all the benefits of an organization and ignoring all its responsibilities should not and must not be countenanced.

In my judgment no man is bigger than his industry!

No man renders to this association his full quota of membership obligation who does not lend himself in cooperating with his competitors in correcting trade abuses which are wasteful and demoralizing.

No man can operate his business along lines of highest intelligence and efficiency and refuse all team work with his competitors!

No man is a good organization man who will ignore that cooperative study of costs, trade tendencies and trade problems which is possible only in a well organized association!

Enforcement Necessary

No man can claim to be a good organization man who wilfully fails to conform to the findings of a majority in the local association to which he belongs.

No man is an asset to us who endangers the respect for our business by lying about, assailing or belittling a competitor. If we haven't confidence in each other, by what right may we expect the public to have confidence in us? Business men have learned that the public estimation of an industry is gaged largely by what the industry thinks of itself.

No man can be sincerely constructive nationally if he be destructive locally!

No man is a credit to this association who elects to run wild and ignore the findings of his local trade body, and by so doing creates unrest, suspicion and doubt as to the value of organization. If he places so little value upon the respect of his fellow members—if he seeks, by his own actions, to be condemned—then the power of enforcement one way or other should be invoked. I refer to the enforcement power resting in the value of National membership.

No man is entitled to the glad hand here who offers only the clenched fist at home.

Men cannot be legislated into righteousness; neither rules, regulations nor by-laws will bring a man to correct procedure unless there be sincerity in the heart, honesty in the mind and an unwarped vision that enables him to see betterment through loyalty to others.

Loyalty to your fellow man has more to do with harmony, good-will and accomplishment than any other single element.

And loyalty—one of the greatest virtues—must be as manifest in our dovetailed relationships at home as elsewhere.

The man who adopts the emblem of National membership should, with equal

enthusiasm, adopt its code of ethics and its code of practice.

I am sure I voice the views of a great majority when I say that honest cooperation with local associations be an absolute requisite for membership in the National association.

Not a half-hearted, negative cooperation, but a real, virile, active, close relationship coupled with a sincere respect for the rights of others. After all, this might well be summed up as just common decency and common honesty.

For obvious reasons this National body created a rule that membership in a local association, where one exists, be necessary before membership here could be obtained; by a similar token this National body should demand strict cooperation locally in order that membership here be retained.

It is not contemplated that competition be eliminated from our business. I am firm in the belief that an active and keen competition is healthful and develops the best that is in us.

Nor does your organization ask the elimination of the dollar in its definition of profit, but it does expect that you add

to it the friendly hand-clasp, the honest thought, ethics, and, to all concerned, the square deal in most liberal proportions.

Gentlemen, this presentation is more than a mere assembling of words. It is an honest effort, allotted to me, to awaken the leaders of our industry to a dangerous and growing menace which, if allowed to go unchallenged, will lead to disaster from which no one—I emphasize, no one—will be exempt.

Never was it more necessary, for the preservation and growth of our business, than it is today, for men to coordinate their activities in order that we hold, and improve upon, the developments we possess. Cooperation like charity should begin at home. I believe the substantial achievements of our local associations justify the expectancy of this National body that membership herein involves a strict adherence to local association recommendations and regulations, coupled with a thorough understanding that membership in the National does not relieve any member of his responsibility to his home association. As a matter of fact it materially *increases* that responsibility.

We have created an enthusiastic National spirit, but it will not be developed at the expense of our local associations.

The National association expects, and has a right to expect, a full measure of cooperation from those who knock at its door and seek admission, coupled with a full realization that cooperation is more than a mere word and more than a mushy sentimentality; that it is an economic necessity just as requisite locally as it is nationally.

Cooperation has rendered such invaluable service to us locally and nationally that it cannot and must not be discontinued now.

Gentlemen, I don't believe I have suggested a new thought to you, but what I am concerned in is to crystallize that thought into practice—into being—to create of the thought a living, pulsating, virile force.

Membership in the National Furniture Warehousemen's Association is undeniably a great and valuable asset. The price of this great asset is genuine and sincere cooperation, nationally and at home, honestly, actively, ungrudgingly and whole-heartedly given.

I. C. C. Regulation of Interstate Motor Truck Traffic Is Foreshadowed by Developments at Washington

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Bldg.

WASHINGTON, D. C., July 1.—The possibility of Federal regulation of interstate truck traffic looms again as the result of reintroduction recently of the bill of Representative James S. Parker of New York aiming at placing interstate bus traffic under control of the Interstate Commerce Commission.

Although the Parker bill, which corresponds to the Couzens measure now in the Senate and to the old Parker bill introduced during the last session of Congress, provides only for regulation of buses carrying passengers, it is regarded as the first step toward complete Federal supervision of interstate business in motor vehicles.

What lends special color to this supposition at the present time is the forecast, on reliable authority, that the present Parker bill will ultimately give the Interstate Commerce Commission fairly complete control over rates to be charged by bus companies.

As the measure now stands, it does not specifically confer upon the Commission the rights which it now enjoys in respect to railroad rates, valuation and recapture. The intention, however, is to place bus rates under exactly the same supervision as railroad rates.

It is held obvious that the step from bus regulation to truck regulation is a short one, and to be taken speedily upon passage of the present bill.

At present the measure provides merely that schedules of rates must be filed with the Commission, must not be

changed without 30 days' notice; that there must be no concessions, rebates, free passes or other discriminations in charges. Eventually, however, it is intended that the Commission will be given the specific rate authority referred to.

The original Parker bill, later amended and introduced in the form of the one just reintroduced, did not give the Commission nearly so much authority as does the new measure.

Under the present bill, which perhaps should now be called the Couzens-Parker bill, the Commission would hear appeals from the joint State boards which are now in operation in many States, in some instances already regulating bus traffic.

Formerly, it was provided that optional State or joint board hearings would be held. The Commission under the bill now would receive the original application, name the joint board, hear appeals if any are made, and confer the certificate if it is held justified.

Finally, if the States concerned all refused to grant hearings to the applicant bus company, the commission may, in its discretion, order a hearing and rule upon the merits of the case.

The bill as it now stands sets Nov. 1, 1928, as the date upon which operation shall be considered evidence of public convenience and necessity. It is likely that this would be changed to some more immediate date before the bill passed, as the original intention was to shorten the time during which operation was required.

There is no chance that the bill will be taken up during the special session,

or even early in the regular session in December. One reason is that the Interstate Commerce Committee of the House, of which Mr. Parker is chairman, is not yet organized and, unless something unforeseen develops, will not be organized until just before the regular session or at the time it convenes.

Another reason is that the bill is regarded as one deserving most careful consideration. Hearings are probable before the House committee and possibly before the Senate committee before the bill is finally whipped into shape to be presented. There will be little House opposition, it is predicted, but something of a fight may be expected in the Senate.

As it now stands, the bill has the endorsement of most of the associations and groups affected by it. The chief concern now is to see that the measure is so written that it effectively accomplishes its purpose.

The bill, and its predecessor, were sponsored by Senator Watson in the Senate and Mr. Parker in the House during the last Congress, but were reported by neither committee.

—Russell Smith.

Springer Company to Build

The Springer Transfer Co., Inc., Albuquerque, N. M., has announced its plan to build a three-story and basement warehouse, 150 by 100 feet, at a cost of \$150,000. The structure will have 100 feet of trackage along the Atchison, Topeka & Santa Fe. The location is at East Tijeras Avenue and Commercial Street. The plant will be used for merchandise storage.

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Trade Associations: The Legal Aspects . . 5.10
Trade association law, statistics, uniform cost accounting, credit bureaus, purchasing, standardization.
By Benjamin S. Kirsch

Traffic Management \$3.70
A comprehensive treatment of traffic management.
By G. Lloyd Wilson, Ph.D.

United States Warehouse Act 0.05
Regulations, as prescribed by Department of Agriculture, for warehousemen storing canned foods.

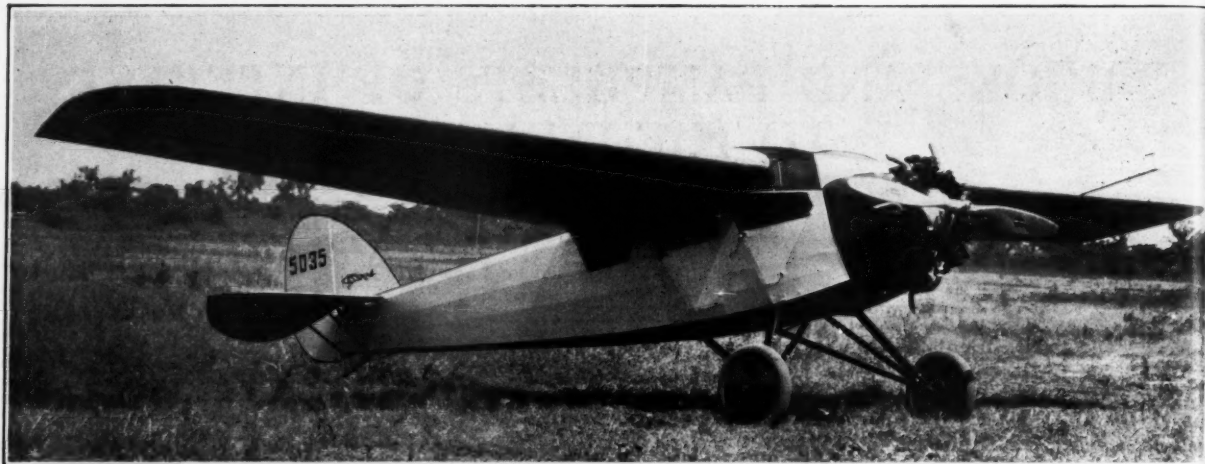
Warehouse Directory (subscription to *Distribution and Warehousing* included) . . . 3.00
The industry's annual reference volume, containing statistics and data regarding warehouse companies throughout the United States and Canada. The 1929 edition appears as part of the January issue of *Distribution and Warehousing*. Single copies each 5.00

Warehouse Forms 0.10
Simplified Practice Recommendations No. 34 of the U. S. Department of Commerce. Describing and illustrating the standard warehouse documents approved by the Government.

Warehousing 10.00
Trade customs and practices; financial and legal aspects.
By H. A. Haring

Warehousing General Merchandise—An Encyclopedia
Prepared by the American Warehousemen's Association.
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A Cessna Warner airship being commonly warehoused on the Pacific Coast

Warehousing Planes a New Business

Western Storage Interests Are Active During the Transition Stage of American Aviation

By G. R. SPENCER

NOTHING in the whole field of American finance has ever arisen to equal the difficulty with which the selling and distributing sections of American aviation finance themselves. In large part, due to the continuous demand by bankers that aviation submit itself, without sentiment, to the ordinary rules of business assurance, the problems have been gradually met and solved by aviation itself—through the well known method of public warehousing.

The ramifications and success of this arrangement with relation to aviation are as yet little known. However the aeronautical industries and the warehousing finance enterprises are actually the base on which American aviation of today was constructed. It is only

in recent months that American banking has afforded any real assistance or encouragement to aviation.

It has been an entirely up-hill struggle in which banking missed an opportunity to build up a real good will, with the result that ten out of every eleven aviation companies harbor real grudges and are attempting wherever possible to finance themselves in other channels than through banks.

It has been the exceptional cooperation of representatives of the warehouse industry that has saved a most embarrassing situation, and the friendship aviation feels for the past should be continued into the prospering future.

THE experience of the American Aircraft Co., Los Angeles, is typical and will serve as an example of an hitherto generally unconsidered situation. The territory covered by this distributor comprises Utah, New Mexico, Arizona, California, Wyoming, Nevada, Hawaii and Mexico. The plane distributed is the Waco, one of the most popular American commercial and private craft since the early days. The territory is generally conceded to be the greatest sales field for airplanes in the world, with California as a basis. The distributor has therefore no especially peculiar problems. His perplexities are those normally met with in the industry, and his good will is on a firm foundation.

"Before warehousing was possible," states an officer of this firm, "about the only way we could handle shipments was to sell a carload of airplanes and then bring it forward from the factory.

This always resulted in delivery delays and did not permit us to take care of the demand during the rush season.

"With the present arrangement, we bring through cars of the models most in demand and store them in the warehouse. When a purchaser asks 'When can I get delivery?' we can tell him, 'Right now!' This plan contemplates the investment by the distributor of 10 per cent of the cost of the planes. The finance company carries the remainder until the ships are delivered. The charges for this service, too, are quite reasonable."

As of June 20, 1929, there were 6021 airplanes passing through American warehouses in this manner. The extent of the service can be discerned when we say that in 1928 at the same time—that is, the rush season for aircraft sales—there were only 2147 airplanes passing through warehouses.

In view of the fact that no radical changes are occurring in financing aircraft, the great bulk of the 1930 production of aircraft in this country will pass through the warehouses in this manner. It is, however, a business which has been earned by the warehouse industry through a friendly thought-out service to the aeronautical industries.

The McClintock Storage Warehouse Co., San Diego, is a case in point. But not content with handling aircraft on a reasonable basis, rendering important economies possible for aviation, this warehouse has given over its entire top floor to a parachute industry. It did that when parachutes were selling only to the Army and Navy and were not a particularly profitable utility for a warehouse. Today, the Russell parachute is known as one of the world's best, is on sale in all nations of the world where aircraft are flown, and the

McClintock warehouse has achieved credit in the air industries and a neat source of profit for itself, too.

There is, thus, a warmth between the two industries which could not easily be dispelled by sudden changes in the situation. There is, too, no doubt of the fact that aircraft can be quickly delivered without warehousing, under adequate banking cooperation. However the habits now formed and being formed by the young industry will probably endure for some years.

Insurance on aircraft stored is written at no higher rates than for ordinary merchandise in storage. But immediately the airplane goes out into service the insurance rates change upward radically.

The southern California practice generally is for warehouses to devote whole floors only to aircraft. The peculiar

construction of these ships obliges the use of considerable space to accommodate them. If it were not for this factor, warehouse charges could be brought even lower; but, based on floor space, as they are generally, airplanes are at somewhat of a disadvantage as compared to general stored goods.

Protecting the Machines

It is necessary, too, to keep each plane well covered, to prevent dust settling on its surfaces; and, emphatically, motors or engines should be separately stored, and not left mounted in the aircraft. The distributors of airplanes themselves will look after this factor. If, through negligence or inexperience, they do not, the warehouse could render no greater service than to possess its own rules requiring motors to be taken out and stored under canvas protection alongside

or under the planes. In many instances in the past, distributors of airplanes have asked for separate motor storage, and it is possible that in the future special motor rooms will be provided.

In locations such as Los Angeles, San Francisco, Wichita, Chicago, Detroit, Denver, Atlanta, San Antonio, New York and Boston, where airplane sales are considerable, warehouses caring for aviation business will do well to assign special personnel to the work, and keep them on it, consistent of course with the volume of business.

Contact with the airplane distributors, as listed in telephone books or a leading aviation magazine, *Aviation*, will enable the warehouse to secure much constant business. There is as yet no real procedure for competition along this line, but the advantages are sufficient to attract warehouses to the business.

Warehouse Receipts Forms Occupy Attention of Congress and Government

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Bldg.

WASHINGTON, D. C., July 1.—Haugen bill amending the United States Warehouse Act in an attempt to strengthen the credit of warehouse receipts will be considered early in the regular session of Congress beginning December, it developed here with the adjournment of both branches of the Congress for a summer vacation.

The bill is in a highly favorable position on the calendar of the House. It was introduced early in the special session by Representative Gilbert N. Haugen of Iowa, chairman of the House Agriculture Committee, and was reported from that committee shortly afterward.

As a result, it should be acted on quickly when the House is again in session. There is some prospect that it will be considered during the period between reconvening for the remainder of the special session and the beginning of the regular session. There is some doubt as to this, however, as the House probably will devote all of that period to the struggle with the Senate over the tariff bill adjustments.

The Haugen bill amends the Warehouse Act so as to enable a warehouseman's bond given under Federal law to apply equally to obligations under State laws, even though the obligations may have been assumed in a house not licensed under the Federal law. Bond given by a warehouseman must cover obligations, therefore, of the warehouseman under the State laws.

At present a warehouseman may commit some illegal act in the warehouse not bonded under the Warehouse Act, but the bond filed to protect depositors in the Federally-licensed warehouse may have been exhausted. Lack of jurisdiction of the Federal Government over State laws prevents redress of any sort. The Haugen bill would thus supply the provision needed to enable the Department of Agriculture to guard against such contingencies.

The Department strongly favors the bill and believes it would aid greatly in stabilizing the value of warehouse receipts as collateral. For this reason most bankers and many warehousemen are also in favor of the amendments.

Department of Commerce officials verify the recent statement in *Distribution & Warehousing* that this amendment to the Warehouse Act may enable the warehousing industry to hit upon some receipt form which is agreeable to all of the members of the industry and which also conforms to the Warehouse Act.

The standard forms adopted by the industry, working through the Division of Simplified Practice of the Department of Commerce, have not been put in satisfactory use, it was repeated. Adopted four years ago, these forms have covered too wide a range, it is thought, to aid in elimination of waste and speeding up in efficiency that was expected. Members of the industry themselves who aided in formulating the forms realize this, it is understood, and some of them at the time of adoption made known their conviction that further simplification would be needed.

The standard terms and conditions agreed upon at that time have worked very well, it is said. The chief difficulty lies in the form of receipt which is acceptable to the industry and that which is set up by the Warehouse Act as the standard. Passage of the Haugen bill might open up the whole subject in such form that it could be considered from a new angle, and the differences reconciled.

H. R. Colwell of the Division of Simplified Practice, who has been most closely connected in recent months with the operation of warehousing forms, believes, however, that two or three of the other forms now in use will be completely satisfactory to all the industry. On that basis he is working toward abandonment of many of the forms which have proved incapable of standardization, and concentration on the few which can be used almost universally.

Interviewed here recently regarding these statements, as made some time ago to a representative of *Distribution and Warehousing*, Mr. Colwell repeated his former assertions. There has been no attempt to "discredit" the members of the industry who worked out the warehouse forms, it was pointed out.

The fact is that neither he nor anyone else expected the forms to be put into universal operation and some of them then voiced misgivings. It is regarded as something of a tribute to their work that as much good has come of their work as is already evident, in view of the difficult nature of their task.

The mere fact that the Department of Commerce approved the forms is of course no guarantee that they are being used by the majority of the members of the industry. Approval merely means that the Department, in conjunction with the industry, believes use of the standard forms will be of benefit to those using them.

Approval by the Department of Commerce has nothing to do with the administration of the Warehouse Act. The latter is a law of the United States administered by the Department of Agriculture. On the other hand, simplified practice recommendations are the work of the industry itself; there is no means of enforcement, and use of the forms recommended is entirely optional with the industry concerned.

Mr. Colwell endorsed the recent *Distribution & Warehousing* discussion of these forms and the possibility of revision, and went on:

"I have never made a minute comparison of the warehouse receipt as provided for in the U. S. Warehouse Act and the one adopted by the industry in cooperation with the Department of Commerce.

"Suffice to say, however, that my experiences in meetings and contracts with warehousemen has developed the fact that there exist differences in certain fundamental points between the two receipts."

—Russell Smith.

FROM THE LEGAL VIEWPOINT

By Leo T. Parker

Validity of Receipts Sold After Goods Are Removed From Warehouse

FREQUENTLY litigation arises where, under various circumstances, stored goods are removed from a warehouse without knowledge of the person who purchases the receipts. However, seldom does the circumstance exist that the purchaser had knowledge that the merchandise was removed and forgets this important fact. Generally speaking, the outcome of a litigation of this nature depends on whether the purchaser had knowledge of the details of the transaction, irrespective of his forgetfulness.

For illustration, the evidence in *Luby v. Bell*, 15 S. W. (2d) 106, disclosed that the owner of goods delivered them for storage to a warehouse company, which issued negotiable warehouse receipts. Soon afterward the goods were attached for the debts of the holder of the receipts, who retained and sold the receipts. The purchaser, named Luby, held the receipts for two years, without knowledge that the merchandise had been removed from the warehouse, and resold them to the president of the warehouse company.

At the time the merchandise was removed from the warehouse, the president personally surrendered and delivered the goods to the levying officer. Moreover, he was still president of the warehouse company, and had his office at the warehouse, when he purchased the receipts from Luby, although he was not then active in the management of the warehouse.

As a matter of course he should have had knowledge, at the time he purchased the receipts, that the goods had been removed from the warehouse, but he did not remember the original transaction which had transpired two years before.

When the president discovered that the receipts represented the goods which had been taken from his warehouse by the attachment proceedings, he immediately sued Luby to recover the amount he had paid. It is interesting to observe that the lower court held the president of the warehouse entitled to a recovery, but the higher Court reversed the verdict, stating important law, as follows:

"The receipts, conceded to be regular in form and substance, were negotiable, having the same dignity in that respect as a promissory note, and the transferee and holder thereof 'shall be considered and held as the actual and exclusive owner, to all intents and purposes, of the property therein described.' . . . The receipts constituted contracts be-

tween the warehouse company and the person storing in that company's warehouse, and the company was obligated under those contracts to deliver the goods to the depositor or his lawful assignee upon presentation and demand. The contracts were assignable, were negotiable. . . . If the warehouseman fails or refuses to deliver the goods upon demand of the holder, the latter's remedy is against the warehouseman and not against the assignor, for the assignment and acceptance of a warehouse receipt in fulfillment of a contract to deliver the goods represented by it is presumed to be in complete discharge of the contract, and the assignee has no recourse against the assignor for failure of the warehouseman to deliver the goods."

Distinction Between Taxable Property Stored and Manufactured Within State

IN *Nash Sales v. City of Milwaukee*, 224 N. W. 126, the Court interpreted a Wisconsin State law which provides: "Merchandise placed in storage in the original package in a commercial storage warehouse shall while so in storage be considered in transit and not subject to taxation."

The reason this law was enacted was that previously all property within the State on May 1 was required to be assessed whether the same was in transit or not. The result was that a great deal of property was withheld from shipment and did not find its way into the State until after May 1 in each year, thereby seriously interfering with the warehouse business.

The Court held that the State officials should assess taxes for Nash motor vehicles stored and manufactured in the State of Wisconsin, and should not assess taxes for Flint vehicles stored within the State but manufactured outside the State. This Court stated important law, as follows:

"The purpose of the statute under consideration was to induce the bringing into Wisconsin of goods which would otherwise remain without the State by reason of its taxation laws. Thus the State would lose not only the tax, but its citizens would lose the resulting benefits. . . . This purpose to limit the application of this exemption statute to goods shipped from without the boundaries of the State for storage in commercial warehouses is also made manifest by the use of the phrase 'in the original package.' . . . Merchandise which has from the time of its origin to the time of its storage always been within the State, even though in the

original package, is a part of the mass of the property of the State which has always been subject to taxation, while in transit, as well as when in storage. . . . The situation is not unlike that presented in *State ex rel. Stern & Sons, v. Bodden*, 165 Wis. 75, 160 N. W. 1077, where it was contended that the exemption of grain in public elevators and warehouses was a discrimination against citizens of this State whose grain was stored on farms and in private warehouses and was subject to taxation. It was held that the classification and resulting exemption did not violate any principle of legitimate classification, and that grain in public warehouses was a commodity in the channels of commerce which constituted 'a wholly different class of property for the purposes of local taxation than does grain stored in private warehouses by the producer, and affords ample distinction between them for classification for the purposes of taxation.' . . . We conclude that the statute exempts the property of the Flint Motor Car Company from taxation while in the commercial warehouses in the original package, but that it does not exempt the property of the Nash Sales, Inc."

Also, in *Sentinel Co. v. City of Milwaukee*, 224 N. W. 130, it was disclosed that a paper manufacturer located in Wisconsin shipped a quantity of material to a purchaser in Milwaukee where it was stored in a public warehouse. The manufacturer sued to prevent collection of taxes on this paper. However, the Court held the paper taxable, as it was both manufactured and stored within the State.

Assignee of Lease Contract Not Liable For Payment of Rent

GENERALLY speaking, a lessee, who assigns a lease contract, is liable for the rent where the assignee fails to pay the same. However, it is important to know that under certain provisions of a lease contract, the assignees are not liable. This point of the law was discussed in the recent case of *Lincoln Fireproof Warehouse Co. v. Greusel*, 224 N. W. 98.

The facts are that a warehouseman leased to a corporation known as the Home Company a warehouse for a term of three years, in consideration of certain stipulated rentals *per annum*, payable in monthly installments, in advance. A paragraph of the lease contract provided that if the Home Company failed to pay the rent the warehouseman was privileged to take possession of the

warehouse and rent it to another at the best price obtainable and collect the expenses of so doing, or other losses, from the Home Company.

After having taken possession of the warehouse and occupied it for approximately one year, the Home Company executed an assignment in writing, to its creditors, of all of its property including its interest in the lease.

The creditors paid the rentals for several months and then abandoned and vacated the premises, and refused to abide by the provisions of the lease.

The warehouseman notified the creditors of his intentions and took possession of the warehouse and endeavored to rent it. Failing to do so the warehouseman sued the creditors for the rent due under the lease contract, contending that the assignees were personally liable for payment of the rent. However, it is interesting to observe that the lower Court held the creditors not liable, and the higher Court upheld the verdict, saying:

"When the premises were abandoned, the plaintiff [warehouseman] was authorized in law to repossess itself of the same, in which event the privity of estate existing between the plaintiff [warehouseman] and the defendants [creditors] as assignees would have ceased, with the result of relieving them from further liability for rent. On the other hand, the plaintiff [warehouseman] had the right, upon the abandonment of the premises, to take possession of the same and to advertise and relet the same for and in behalf of the lessee. . . . Therefore, when the plaintiff repossessed itself of the premises under the provisions of the lease, it elected to hold the Home Company liable under the

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express provisions of such paragraph, pursuant to its contract liability. No contract liability ever existed between the plaintiff [warehouseman] and the creditors."

Cold Storage Plant Liable in Damages

GENERALLY speaking, a cold storage company is liable in damages for loss or damage to stored merchandise, where such damage is caused by negligence on the part of the employees of a cold storage plant.

For example, in *Southern Ice & Utilities Co. v. Stewart*, 15 S. W. (2d) 132, it was disclosed that the owner of a large quantity of eggs stored them in a cold storage plant in April under an agreement that he should take them out of the warehouse the following January.

When the owner called for the eggs in January they were for the most part in bad order; the yolks were dark and they had watery whites in them and smelled

musty and full of odors. He sold them, on account of such condition, for a greatly lower price.

He immediately sued the warehouseman for damages, proving that the bad condition of the eggs was occasioned by the warehouseman's negligence of uneven distribution of temperature to the eggs, of maintaining excessive moisture in the room, and of permitting lemons to be stacked near enough to the eggs for the latter to absorb the odors therefrom.

Although the cold storage plant was modern, the Court held the owner of the eggs entitled to recover damages, saying:

"Although the appellant [cold storage company] did not expressly contract to stack the cases of eggs in any particular way, yet, in the absence of any agreement, the law imposed the duty upon it to use that degree of care in the preservation of the eggs which may reasonably be expected from a person of ordinary prudence under the circumstances. Its obligation was to keep the temperature of the room at the ordinary and usual cold storage temperature and evenly distributed alike to the eggs. . . . An uneven distribution of temperature, or as called in the evidence lack of 'sufficient circulation of air,' was shown to work injury to the preservation of eggs, in tendency to cause or contribute to cause the yolks to become dark and the whites thin and watery. . . . A negligent act, such as failing to evenly distribute temperature, may hasten, proximately cause or contribute to, the deterioration in quality. Such consequences could result from such negligent act in the natural order of cause and effect."

Federal Trade Commission Approves Practice Involving an Industry's Trucking Charges

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Bldg.

WASHINGTON, D. C., July 11.—The allowance of transportation or trucking charges in excess of the actual or published amount of such charges on products sold f.o.b. seller's warehouse or city, or sold on a delivered basis, transportation charges to be paid by the consignee, has been condemned as an "unfair trade practice" by the barn equipment industry.

The condemnation grew out of a trade practice conference held by the industry in Chicago on May 1, under the jurisdiction of the Federal Trade Commission. The Commission has affirmatively approved the industry's resolutions adopted at the conference.

The practice, while not actually a violation of the law, and therefore not within the powers of the Federal Trade Commission to enforce, is a voluntary avowal of the industry itself.

The resolution, approved by the Commission and published today, includes a

definition of what their industry believes to be a qualified wholesale distributor.

"The industry hereby records its approval," said the rule, "of the definition of a qualified wholesale distributor to be one whose principal business is selling to the retail distributor, carries a well selected stock of merchandise, buys in suitable quantities, warehouses a reserve stock for retailers within a radius of economical distribution and convenience of service, resells in proper units to the retailer as economically as possible, assumes the credit risk, and such other obligations as are incident to the transportation, warehousing and distribution of the products of the industry."

Another voluntary rule adopted by the industry condemned the "acceptance by wholesale distributors and manufacturers of contracts for the sale of the products of the industry to dealers or wholesale distributors of these products without statement of specifications, which affords opportunity for the rejection of such contracts by the purchasers on the decline of prices, and provides an arti-

ficial stimulus to the industry through the existence of large number of unconfirmed contracts, without resulting enhancement of prices to consumers."

Certain recommendations of the barn equipment industry which include breach of contract, fraud, misrepresentation, secret rebates, price discrimination, etc., which are violations of the law, were affirmatively approved by the Trade Commission.

Other recommendations, resolutions and rules, such as the two condemnations mentioned, which do not fall within the scope of actual law violations, were accepted by the Commission as expressions of the trade.

Commissioner Garland S. Ferguson, Jr., presiding at the conference, told the assembled manufacturers and distributors that it was not the desire of the Commission to participate in business, nor in any way to interfere with the legitimate conduct thereof, and stressed the fact that it was the desire of the Commission to help business in any way possible.

—Michael M. McNamee, Jr.

H. A. Haring's

No. 45

New Business for Warehouses

Stoves and Furnaces as Sources of Potential Revenue

ALL retailing has become thoroughly imbued with the "turnover doctrine," as it is called in marketing. This means that merchants have learned to invest only in stocks which will move quickly off their shelves and to beware of stocking any article which ties up capital for more than sixty days.

Retailers today look on their incoming invoices with a new interest, with an attention to "terms of sale" such as they never bestowed before. The reason is that they have been taught the real meaning of the time allowed for payment. If the terms from the wholesaler or manufacturer are "net 60 days" the merchant now understands that, under normal conditions and for a well-managed retail store, the goods should be disposed of within 60 days. If the terms are "30 days," he perceives at once that the goods are thought of as more rapid sellers and should be carried away by customers in one month.

In the same manner, a "9-months' dating" has become the sign of danger. At one time the merchant who was allowed 9 months to pay for a carload of goods felt honored that the manufacturer would extend him such long credit. Today he looks with deep suspicion on the same circumstance—feeling that he is being loaded with something which will freeze his capital.

Among items of this sort have always been stoves and furnaces, especially when sold to hardware and furniture

dealers in the smaller cities. It has been the trade custom to take the dealer's order for one or two carloads early in the year, although the manufacturers knew that the selling season becomes active in September, runs for about three months, and by December 10 is over for another nine months. Yet stoves and furnaces were shipped to the trade in carload lots at any time after January, with the invoice dating from October 1.

The dealer stored the goods for eight or nine months before he was expected to sell them. If, in the autumn, it was not convenient to make payment, it was a simple matter to arrange for two or three months' extra time.

But, as we have indicated, a changed business sentiment has arisen. With the turnover doctrine instilled in their minds, dealers are no longer keen to take in carload lots which are not likely to sell for nine months. They realize now that, even though payment may not become due, they have assumed the liability for the goods, and, in the end, for payment of the invoice. Modern business methods make the retailer say to the manufacturer's salesman:

"Not now. When September comes I'll know what I can sell. I'll order then. . . . Oh, the foundry can't ship all dealers the same month? Well, I should worry. That's your business. It's up to the manufacturer to ship when we can sell the goods. If your house can't, others will."

The Long-Datings Disappear

THE older method had another disadvantage, of almost the opposite sort.

Such stoves or furnaces as the dealer did sell before October permitted him to do business without investment of any capital. If he happened to connect with a builder who was erecting a row of houses, or if he otherwise installed either stoves or furnaces, he enjoyed the use of the money for a few months. This was to the dealer an advantage, but to the manufacturer it looked quite otherwise.

Nevertheless, the October datings have continued. Any manufacturer who did not thus operate was unable to obtain orders during the spring and early summer. Carload buying disappeared. In the autumn, when orders did materialize, the merchants did not buy in carloads but in units of two or three, which required shipment as less than carload freight, with the heavy breakage and the split deliveries which too often result. To ship their entire output in this manner was physically impossible for the foundries. Sales were lost by dealers because they did not have the goods promptly. Neither did they have floor stock for display and demonstration to prospective customers.

In the trade papers, however, the

manufacturers have been trying to educate dealers and hardware merchants to understand that their profits are not made in 25-50-cent sales where they compete with the five-and-tens; but that the higher priced items of their stock yields a greater profit in dollars and, nearly always, a higher percentage of profits as well.

From thus showing the dealer the profitability of higher priced goods, the stove and furnace makers have gone another step. They are helping the dealer to stock their goods at the proper season. They have given up the attempt to load him with carload quantities in January. The old distribution method was not right. They have, therefore, adopted a better one.

An example of the change may be gleaned from the newly announced policy of one maker of hot-air furnaces—the Premier Warm Air Heater Co., Dowagiac, Mich. This company has just announced warehousing arrangements in six cities (Portland, Denver, St. Paul, Des Moines, Detroit and Pittsburgh) where complete stocks are to be carried at all times. Of this arrangement the company's sales manager, E. C. Taylor, has explained:

"In this way we shall be able to make deliveries in quantities smaller than a carload. The difference is, however, even

deeper than our method of delivering. For, under the new plan, the dealer will be expected to pay for the goods within 30 days. We believe that the warehousing plan will bring our own economic salvation and will be the means of inducing more dealers to be less timid and conservative in stocking our merchandise."

Storage for the Smaller Cities

ALTHOUGH the six cities named are large ones, the rule of stoves and furnaces is to store in the smaller cities. Dealers even in towns of 10,000 to 15,000 are able to market a carload in a season. Where a manufacturer has two or more outlets in such a place he can easily dispose of a carload of a single model. In order to economize in freight, and to expedite delivery when wanted, the manufacturers therefore spot these stocks pretty generously over the country.

Not many manufacturers of this class have national distribution. The more usual condition is that a manufacturer's product fits the fuel of his home State—whether that fuel be soft coal or hard, lignite or wood. He has a market only so extensive as the fuel in common use is identical with that of the foundry's own community. Distribution in this

manner is not so much city markets as through smaller places. Holland, Richardson & Boynton, Premier, and others of the same character do a national business, but the ordinary manufacturer does business through a restricted area only. Of such manufacturers there are some six or eight hundred, not one of which has storage space at the foundry for his output.

Until recent years all these companies stored their goods, a carload here and another there, with merchants who had outside barns or up-stairs lofts dry enough to prevent rust. The goods were thought of as requiring little more for protection. One maker of hot-air furnaces (in Pennsylvania) has recently told me that four years ago he did not have a single stock in public warehouse, but that on the day he talked with me (during May of this year) he had eighteen such stocks in his own State alone, with a dozen more in Maryland and West Virginia. Two of these stocks were in Pittsburgh, the others in smaller cities.

A maker of stoves in Ohio tells a similar story:

"We've quit consignment shipping, and our maximum dating is 60 days. The first year the dealers yelled, probably because our plan was something new and scared them. But now, after four years' trial, they'd yell louder and kick harder if we tried to go back to the old way. It's better for them and it's sound business. The burden of carrying stock between seasons ought to be on the manufacturer and not on the retailer."

This maker, therefore, maintains many spot stocks. He adds this interesting bit:

"When they buy single units, they expect to pay l.c.l. freight from our plant. We, of course, ship in carloads. We earn the difference, and it more than pays all the costs, including all the extra clerical work of billing out forty invoices against one by the old method."

Another manufacturer threw this light on the newer way of distributing stoves. His goods go almost entirely to small

towns where kitchen ranges still use coal rather than gas. He relates:

"Every year since I've been in the business at least one of our dealers had a fire before October, when the invoice fell due for payment. One year we had eight such cases. Every year there was at least one. We nearly always took a loss. If the goods were out on consignment, we had usually neglected to cover them with fire insurance. If they were on open account, with a long dating, a loss came to us nearly every time.

"Usually the dealer's insurance fell short of covering his loss and he was unable to meet the bill, but, half a dozen times, the stoves would be stored in a barn or some unusual place, not in the store itself, and no one would have had the forethought to see that the dealer's policies were extended to protect the goods.

"To get rid of those losses is the finest part of using warehouses, and why we never saw it before is beyond me to explain."

Uniform Rail-Truck System for Produce Distribution Is Foreseen by Department of Agriculture

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Bldg.

WASHINGTON, D. C., July 1.—Probable development by the railroads of a unified rail-truck system for hauling produce and distributing it is foreshadowed by the results of a survey of Delaware and the Eastern Shore of Maryland produce trucking, Department of Agriculture officials intimated in a statement here this week.

The survey showed a rapidly increasing use of trucks for long distance hauling of produce to market. In most instances, the amount of farm produce moved in this way has already outstripped the amount carried by rail.

The Department foresees "development of organized motor truck systems for transporting perishable farm commodities to markets from producing regions within a radius of 250 miles." It also finds probable the distribution of produce from large markets to smaller towns within a similar radius. Finally, it is stated, "the establishment of motor trucking systems as feeders to railroad concentration points for long hauls is also regarded as a possibility."

The views of these officials in regard to the railroad attitude toward this increasingly vigorous competition is expressed as follows:

"The Government marketing officials believe that, as in the case of motor bus and airplane transportation, it is only a question of a short time when the railroads which have been facing increasing competition in motor truck transportation, both from producing areas to consuming markets and in the distribution

of produce from cities to small towns, will organize transport systems which will furnish shippers and dealers a unified service."

This paragraph would seem to forecast an eventual showdown between the railroads and the present combinations of truck distributors who are already organizing more closely. Recent development of interstate truckers' groups specializing in long-range haulage would seem to bear out the Department's view. The success which has attended in some cities the development of unified bus-street car services may prove a factor in such a development.

The present prospect of regulatory legislation concerning interstate bus traffic will probably play some part, too, although at first glance such a view seems somewhat far-fetched. It is obvious, however, that if the Parker-Couzens bill placing interstate bus traffic under the Interstate Commerce Commission is passed during the coming regular session of Congress, a long step toward unified rail-bus lines will have been taken.

The very fact that the Commission would exercise similar jurisdiction over these two types of transportation will tend to fuse their problems, it is expected. From such fusion of interest as regards passenger traffic, it should be but a short step to similar amalgamation of sympathies in respect to freight transport.

This development, if it comes, is some distance in the future, however, as the Department goes on to say:

"Although there has been a rapid in-

crease in the use of motor transportation of farm products in the past few years from established producing areas and from new growing regions formerly outside the range of wagon haul to cities, the motor transport business from farm to market is as yet practically unorganized and for the most part is in the hands of independent truckers. More or less organization already exists, however, in the distribution of produce from cities to small towns."

In that paragraph the inference is fairly strong that for the immediate future the chief development will be the organization of these independent truckers or the formation of larger groups of long-distance haulage interests, rather than identification of these interests with railroads.

After pointing out that motor truck transportation of fruits and vegetables has become so important a factor recently that receipts from trucks are now reported independently in the department's market news service at seven large markets, it is pointed out that one great difficulty in such trucking is the inability to ascertain adequately the quantity of produce en route.

"The unorganized character of the motor truck business in fruits and vegetables," the department points out, "makes it practically impossible for the bureau [of Agricultural Economics] to ascertain en route shipments, save in unusual cases such as out-of-State shipments from Delaware, where the movement northward passes through a virtual 'bottle neck.'" Itinerant peddlers also complicate the situation.

—Russell Smith.

Washington Comment on the Effect of Distribution Census on Warehousing

If "Service Industries" Are Included Within Scope of Forthcoming Survey, Storage Executives Will Have Information Regarding Hauling by Motor Trucks and Rail Carriers

By RUSSELL SMITH

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Bldg.

WASHINGTON, D. C., July 1.—Warehousemens may look to the forthcoming census of distribution to accelerate present rapidly changing economic currents affecting their industry.

This is the consensus of opinion among experts in the Federal Government and the United States Chamber of Commerce, both of which will play a large part in the success or failure of what now looms as a gigantic undertaking.

Just how far this first census of distribution will affect the public storage industry cannot be accurately stated as yet. No final decision has yet been made as to whether the census will include the so-called "service industries," such as transportation, banking, insurance, etc. Until this decision is reached, it will not be possible to estimate the real extent of the census.

The decision will probably have been reached by the time this appears in *Distribution and Warehousing*. It was to be determined by a committee composed of business men and Government experts appointed by Secretary of Commerce Robert P. Lamont, in all probability, although it was generally conceded that President Hoover, in view of the great interest he has always taken in similar matters, would have a hand in planning for the census.

Meanwhile, the Domestic Commerce Division of the Department of Commerce, the Census Bureau and all agencies involved are going forward on the basis now available—that is, that the census will certainly include the collection of statistics regarding distribution of physical commodities. It is stated authoritatively that the census will go further than preliminary censuses in that it will include purchases by manufacturers as well as by wholesalers and retailers.

There was good basis for believing that the committee would include the so-

called "service industries." In the event of that tremendous extension of the census, the relative business done by motor vehicles and railroads in long-distance hauling, the use of such facilities by various industries, and scores of related figures, will be at the disposal of the warehousing industry.

One difficulty in this connection will be the fact that the census must of necessity not be comparative. It will include solely the available facts for the year of the census, 1930. It will, however, provide a basis for future comparison, and the facts which it will bring to light should, in the words of Assistant Secretary of Commerce Julius Klein, "prove the biggest forward step in national merchandising ever taken."

The immediate relation of the census to the warehouseman is sure to be in the acceleration of such developments as consolidations, chain store growth, perhaps hand-to-mouth and mass buying, elimination of many unprofitable small businesses, and the speeding up of warehousing methods.

The facts which the census will bring to light, according to the prospect forecast by the preliminary census taken in eleven cities by the Department of Commerce and local chambers of commerce, will furnish for distribution the figures which have been long available in regard to production and consumption.

In other words, it will go far toward introducing for the warehouseman the mass distribution which is the other and hitherto neglected side of mass production and consumption. This immediate effect on the warehouse industry will be tied-in, furthermore, with the other rapidly coming distributive changes which will mark the whole economic structure of the nation.

In this respect, the words of Dr. Frank M. Surface, assistant director of the Division of Domestic Commerce, are specially pertinent. After comparing production and consumption figures with the lack of similar data for distribution, Doctor Surface said:

"There has been no corresponding development of cost accounting in the field of distribution—nothing by which the distributor may know accurately what it costs him to handle each commodity or each customer account or each size of order; nothing to show him his costs of warehousing, handling, delivering or selling individual items or accurately to indicate the relative value of shelf and display room in different parts of his store.

"I believe that it is along these lines that much future progress is to be made in the field of distribution.

"In addition to the direct information of value in planning and directing business operation, a census of distribution will likewise serve to point out such problems which need to be studied by different methods and from different angles. A census of distribution will give us a far better grasp upon the problems of marketing; it will furnish the details as to where and how commodities are being sold and in what quantities. It will focus attention upon the large problems of marketing and distribution and suggest new methods of attack on these problems. Every move which tends to increase the efficiency of marketing will at the same time increase the scope and value of efficient advertising as an economic method of selling."

Doctor Surface also emphasized one aspect which is generally regarded as perhaps the most important result to be expected from the census.

"I called attention to the fact," he told *Distribution and Warehousing's* correspondent, "that manufacturers and wholesalers are devoting large sales efforts toward securing business from very small concerns. I also called attention to the wide variations in the return per dollar of sales wages.

"I might have dwelt on these and similar points in much greater detail. But the point which stands out particularly is that these various efforts are being made without any idea as to what

they are costing. There is a considerable body of evidence accumulating to show that distributors are handling many commodities at a very great loss; that they are devoting sales effort to reaching customers on whose business there can be no profit, and that they are doing many other things which result in giving away profits which they may have accumulated on other parts of their business."

The direct connection between the elimination of the inefficient retailer and of unproductive lines of goods, and the warehouseman, is obvious, as sweeping changes in wholesaling methods are bound to be reflected in similar changes in warehousing methods.

Dr. Julius Klein thinks that one of the prime causes of wasteful distribution is unsystematic methods of warehousing. Speaking of the need for distribution statistics, he said:

"The economies and laboriously achieved savings represented in the load (of goods from the manufacturer) are largely eaten up by the flagrant, wasteful futility of the distributive power. If distribution is 'motion applied to materials' (as it has been defined by one distinguished authority), then certainly much needs to be done before we can rightfully claim to be attaining a satisfactory degree of profitable operation."

He went on:

"Precisely where, we may ask, do these wastes occur—and what are their causes? They arise from such things as excessive expenditure in sales-promotive effort without adequate information as to prospects in a given market—unwise credit methods—unfair practices of small trading minorities—insufficient data as to national stocks of goods—disorderly marketing, particularly of perishables, with resulting gluts and famines—careless and injudicious procedure in the retail trade.

"Large sums are needlessly consumed in unsystematic warehousing, in extravagant delivery services, in ill-judged advertising, in unwise instalment methods.

"Great wastes exist also in the physical movement of merchandise—in packing, handling and transportation. For instance, it has been found that goods can be handled much more economically through the use of 'skid platforms'—a device which assembles boxes or other containers on a movable board or base.

"It is utilized in conjunction with trucks or cranes and does away with the need for handling each individual package separately. Direct savings through the use of such simple devices range from 25 per cent to as high as 90. It looks as if, with standardization and interchangeability, we might save ultimately anywhere from 200 to 500 million dollars a year in thus simplifying handling. And that's merely one phase of physical distribution."

Doctor Klein has already stated publicly that he believes between eight and ten billion dollars annually is wasted through inefficient distributive processes.

The Chamber of Commerce's interest in this work is reflected in the words of E. D. Borden, manager of the Domestic Distribution Department of the national Chamber. He states:

"Anticipating the enactment of the legislation to authorize the census of distribution, the Bureau of the Census has already been engaged in the preliminary work of preparing schedules for the various retail and wholesale outlets. Plans have been developing for some time to set up committees of business men to cooperate with the Census Bureau in the drafting of the schedules, and, later, in the enumeration. Some of these schedules have been tentatively agreed to for certain retail outlets after conferences between the Census Bureau officials and representatives of the various retail associations.

"In all of this work the national Chamber is in close contact with the officials of the Census Bureau. This co-operation will continue until the work is completed.

"Realizing the great value to business of a census such as this, commercial organizations can assist in the preliminary work by the dissemination of schedules, stressing need of proper records among their local constituents, and showing how the figures resulting from such a survey may be made useful to their members."

Some of the questions Mr. Borden thinks the census will answer are:

(1) What types of stores constitute the outlets through which a particular class of goods reaches the consumer?

(2) What are acceptable standards of sales per employee and compensation per employee?

(3) What is the usual stock inventory and rate of stock turnover for different types of distributing agencies?

(4) What volume of business goes through the independent retailer, the wholesaler, through the chain store and direct-to-consumer?

(5) What quotas can be fairly assigned to different sales territories?

(6) What policy should be adopted by wholesalers and manufacturers with reference to retailers whose annual volume of sales is very small?

A preliminary form approved for use in taking the census is that for the retail division. No wholesalers' form is yet procurable. The retail form will probably be as follows:

Persons engaged, salaries and wages—broken up into administrative officials and employees, buying and selling, non-selling, professional employees;

Value of merchandise on hand Dec. 31, 1929, or nearest inventory date, at cost or replacement value;

Sales net—gross sales less returned goods for 1929. Under this division are listed approximately 45 general classifications with approximately 250 commodity divisions, in total, through the splitting up of the 45 general divisions into sub-classifications. For instance, in the "shoes" classification, seven subdivisions are named.

Cash and credit sales, and instalment sales;

Leased departments—number of, income or rental from and gross sales of;

Service, without a duplication of employees, to include barber shop and beauty parlor, library, fur storage, photography, alterations, etc.

Secretary of Commerce Lamont in an interview here this week described the census of distribution as an "application of the practices of the medical clinic or the legal case method to business."

He pointed out that he had spent thirty years in a business "in which the cost of selling under normal conditions would not exceed 5 per cent of the cost of production." Development in recent years of new trends, however, has thrown the whole machinery of distribution into a state of flux, and this state is costing the nation millions of dollars yearly, he went on.

One effort of the Department of Commerce indicating the vital need of such statistics as this census is expected to reveal, he described as follows:

"The Department's first excursion into this field was to examine the results of a forward looking wholesale hardware dealer who had done considerable work in this direction on his own account. Through a system of allocating costs to individual commodities, this wholesaler discovered that on approximately half of the 12,000 items which he was carrying in his warehouse he was losing money. By a similar study he discovered that a large portion of his customers were buying in such small quantities and under such conditions that they were a liability to him rather than an assets.

"As a result of several years study of these facts, he determined to act upon them. As a result he reduced the number of commodities handled from 12,000 to about 6,500. He reduced the number of customers upon which salesmen called from about 1400 to 700. He also made large reductions in the number of firms from which he purchased goods. As a result of these drastic changes in his method he reduced his sales territory about one-third, he reduced his volume of business about one-third; but on the basis of three years' operations he had increased his dollar profits by approximately 35 per cent.

The Department then went on, he said, to an analysis, in conjunction with the National Wholesale Grocers Association, of a wholesale grocery establishment. He described the result as follows:

"The first study which was made in this direction was an analysis of a wholesale grocery establishment undertaken in cooperation with the National Wholesale Grocers Association. The first fact brought out by this analysis was that this particular wholesaler has been handling about 2000 items through his warehouse, whereas the average chain grocery store served its customers with from 700 to 800 items. A further study of the warehouse records of this wholesaler showed that many of the items which he was handling were moving extremely slowly. For example, one item of canned goods showed eight cases on

hand, with only one sale within the past six months.

"Many other items were in a somewhat similar condition. Obviously, the profits on these slow-moving items were eaten up long before the goods moved out of the wholesaler's warehouse. In other words, he was giving away profits made on the other lines of goods in order to carry these slow-moving commodities.

"A further analysis of this man's business showed that 45 per cent of the number of orders were for amounts for less than \$10, and a little consideration will show clearly that it is impossible to handle a \$10 order through a large wholesale establishment at a profit. The profits on \$10 worth of ordinary groceries are not sufficient to pay the cost

of selling, assembling, packing, delivery and the necessary paper work involved. It is, therefore safe to say that on at least 45 per cent of the number of orders handled he was losing money."

A study of a large wholesale dry goods house is now being undertaken by the Department, Secretary Lamont continued. Already certain facts have been established, though the survey is incomplete. Although more than 70 per cent of the firm's business is obtained in parts of two States, its salesmen are journeying into 17 different States, he said.

The Secretary turned then to a detailed discussion of the Louisville grocery survey, "the most comprehensive attempt ever made to study the distribu-

tion of commodities." This survey includes a market analysis; study of retail credit conditions and bankruptcies; census of food distribution, including all types of outlays; cost of analysis of ten wholesale and manufacturing concerns; and a similar analysis of 28 retail stores.

Some of the results have been surprising, although the work is not yet finished. Equally surprising have been the facts uncovered by the Department in other related investigations, he said.

It is the hope that the new census will furnish a solid basis for giving a national picture of the scheme of distribution and so enable the various incomplete parts already found to be fitted into the general scheme.

Tendency Toward Favoring Truck Owners as Against Insurance Companies in Collision Cases

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Bldg.

WASHINGTON, July 8. — Members of the legal profession are witnessing, they claim, a tendency on the part of the Courts of the land to rule in favor of truck owners in a time honored controversy with the insurance companies.

And this controversy, well known to truck owners, revolves around the question as to what is a collision. In other words when a truck is overturned or damaged by skidding without being struck by a tangible object, a telephone pole, or another vehicle, is it in a collision within the meaning of the collision provision in the insurance policy?

On this subject the Courts differ widely, although the age-old tendency or rule of the Courts to construe strictly against insurance companies and in favor of the insured seems to be winning for the truck owner.

The Courts which have ruled in favor of the truck owner in the past have adopted the attitude that the insurance companies frame the policies and should define more explicitly the word "collision." They should say, the Courts have held, that an impact with the street or the roadway is not a collision within the meaning of the provision in the policy, if they intend to make that sort of a defense when the insured seeks relief in the Courts.

The following is the clause in the policy which stirs up all the controversy:

"In consideration of an additional premium of Fifty-nine and 52/100 dollars (\$59.52) the company hereby agrees with the assured that if any automobile described herein, including its operating equipment while attached hereto, is injured or destroyed during the term hereof solely by accidental collision with another object, either moving or stationary, excluding injury or destruction

by fire from any cause whatsoever, the company will indemnify the assured against actual loss or damage by reason of such injury or destruction, not exceeding the actual cost of suitable repair replacement or actual value at the time of the accident."

This is a typical collision provision.

Elton J. Buckley, an attorney, writing in a recent issue of a drug trade paper, has the following to say in connection with this subject:

"I have before me a case just decided which illustrates this trend [in favor of the insured]. The owner of the car figuring in it, while proceeding along a public road, suddenly skidded off the high crowned center of it and turned over so violently that it was practically demolished.

"The insurance company refused to settle on the ground that the car was not in a collision; that a collision meant an accidental contact with another object such as another car, or a building, or a pole, or so on. And so the matter got into Court."

The lower Court, he said, ruled in favor of the insurance company but the Appellate Court reversed the decision, reasoning as follows:

"The question is whether the damage to the car was the result of its collision with another object, and therefore covered by the terms of the policy.

"The decisions of the Courts in other jurisdictions upon the precise question here involved are hopelessly in conflict, as will appear upon an examination of the opinion of the Supreme Court of Louisiana in *Brown v. Union Indemnity Co.*, 105 So. 918, in which most of the cases are cited and reviewed.

"The policy in the case of *Wetherill v. Williamsburg Insurance Co.*, 60 Pa. Supr. Ct. 37 covered damages to the automobile caused by 'collision with any other vehicle or with any animal or object.' There the car was accidentally backed into the open area of an elevator

shaft and fell to the ground below. It was held that as the earth is a physical object and a collision is a violent contact, a striking together, the policy covered the damages caused by striking the object; and that the insurer was liable without regard to the place where the collision might occur.

"That decision is controlling here, and we deem it unnecessary to discuss the cases decided in other jurisdictions. The appellee strenuously contends that the damages resulted from the skidding and upsetting of the car; that these were the proximate causes of the damage; and that the contact of the automobile with the roadway caused by the upsetting of the car was not a collision in the popular understanding of the word.

"While there is some force in this contention, it is not convincing. In our view it is immaterial what caused the collision, so long as it was accidental, or whether the collision was with the surface of the highway on which the car was being operated, or with any other part of the earth or with some other object.

"If the terms of the policy which are being considered did not clearly include a collision of the car with the roadbed, resulting from an upset the company could have limited its liability by a provision in the policy that it should not be liable for damages caused by striking the roadbed."

—Robert C. McClellan.

Benton & Holden Expand

Benton & Holden, Inc., Elizabeth, N. J., has purchased from the Weimar Storage Co. of that city the four-story, semi-fireproof, concrete and brick warehouse, containing 16,000 square feet of floor space, at 350-352 Elizabeth Avenue.

Owing to the building of a State highway on Spring Street by the State Highway Commission, the Benton & Holden firm was compelled to vacate its plant at Spring and Flora Streets.

MOTOR FREIGHT DEVELOPMENTS

FOR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor freight. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By PHILIP L. SNIFFIN

THIS MONTH

Cooperative Delivery: Pittsburgh Experiment Suggests an Example for the Warehouseman Who Operates Trucks

IN Pittsburgh a new idea in motor delivery practice has been successfully worked out and used. It is a somewhat radical development in the cooperative method of handling deliveries. It raises a new question to any executive of a warehouse business who is alert to new opportunities for reducing pick-up and delivery costs. It presents interesting proof that, in many businesses which use motor trucks, there are big economies to be gained by pooling the transportation requirements serving by a single, combined fleet under independent control.

Briefly, this is what has been done. Three companies have combined in forming a subsidiary transportation company to handle their deliveries. Stock in the transportation company is owned by the three companies for which the service is intended, with the exception of a minor allotment which is owned by the officers of the transportation company. Each of the three companies,

in forming the cooperative organization, sold its own complete equipment at inventory value to the new company and received for this an amount of stock equivalent to this inventory. The combined fleet, comprising 370 motor trucks and 190 salesmen's passenger cars, furnishes motor delivery service and motor vehicles, as needed, on contract arrangement at stipulated rates to the parent companies.

The field in which these companies operate is that of the public utility business. How much of this idea can be specifically applied to the warehouse business is, of course, problematical. The fact is, however, as will be explained in this article, that the principle involved here is a good one, and one which provides at least a viewpoint on motor truck operation, even without the cooperative angle, which any warehouse executive can put to immediate use. It gives an excellent sidelight on the present much-discussed topic of budgets on motor truck costs.

How Cooperation Works

THESE are the brief details of the Pittsburgh cooperative arrangement. The unusual feature of the fleet organization is that it has been incorporated as a separate, though affiliated company. It owns the motor vehicles and charges each operating company, for vehicles furnished, at rates established by agreement, which are limited by competitive figures of outside haulers and car and truck rental agencies.

Rates charged to the using companies include all normal fixed and operating charges, including depreciation, overhead, maintenance, gasoline, oil, tires and licenses.

Under these conditions a favorable showing by the fleet company depends on the ability of the management to control up-keep costs, of which maintenance obviously is a major item.

Maintenance set-up comprises personnel and facilities for inspection, adjustments and running repairs at each of seven garages, which are suited for con-

venience of operating companies, and overhauls at a base shop.

Vehicles are inspected every month, always on the same day of the month. Inspections include minor repairs and adjustments which can be performed in the garage, such as carbon and valve jobs, brake adjusting, etc. Ninety per cent of these inspections are made at night.

In addition to periodic inspection, mechanics stationed at garages make additional repairs as called for by drivers' reports. When a driver returns to a garage with a vehicle, he is obliged to answer each of thirteen questions on a report form. If any item is not okay, mechanics inspect the vehicle at once and make repairs before the vehicle is scheduled out again.

Framed charts giving standards for such items as stopping distance and cylinder compression chart shows standard compression at hand-cranking speed for trucks not equipped with starters and starter speed for trucks so equipped.

Another chart gives oil pressure in accordance with manufacturer's recommendations, and still another denotes proper setting of engine governors on four methods of trucks.

The charts are drawn by hand and figures are written, in most cases, by typewriter. Frames are made of flat picture molding, painted black, and the paper is mounted on cards behind the glass.

The base shop, which was built about two years ago, contains facilities for complete overhaul of vehicles. In designing the shop, company officers considered the function of the establishment as a whole, and then each of the departments separately and in relation to each other.

Similar Results Through Budgets

ALTHOUGH this scheme is one which can hardly be applied directly to warehouse delivery, it does, as previously mentioned, supply a viewpoint that is

most valuable on the subject of budgeting truck delivery costs.

As we have mentioned in previous articles, cost budgets have been applied to truck operation in all fields of use with most excellent results. The cost budget idea is very much like the arrangement of the Pittsburgh companies, and an individual owner may obtain through it a source of economy much the same as he would obtain were such a cooperative plan possible.

It will be recalled that the Pittsburgh plan was originated principally as a means of separating the delivery department from the rest of the business, in an effort to make the motor vehicle fleet stand on its own, as separate business, so as to control its costs and return its own profit. To accomplish this, rates were established by agreement and the service was charged for as it was used by the company that used it. In the case of the Pittsburgh plan these rates were established by competitive figures of outside haulers and car and truck rental agencies.

A very similar effect can be gained by the individual user without the complications of a cooperative company, or even an independent subsidiary company, by means of the budget system.

In order fully to understand the theory of this budget system, this statement is important:

The difference between a truck department that is an asset and one that is a liability is the difference between one that leans on the rest of the business and one that can live up to a moderate appropriation allotted to it and keep well within the figure.

Setting the Budget Figures

THE budget plan consists, briefly, of setting an arbitrary percentage allotment for motor transportation work, based on gross earnings. This allotment should be a figure which is adequate and yet not excessive, as found in the previous experience of the department. Once this percentage is established, any saving which accrues is considered as profit, whereas any amount over it is justly a loss, both the profit and the loss being considered as of the department itself. Thus the service is in the position of a business in itself, with at least a theoretical incentive to pay its own way.

Many businesses, of course, are on a budget plan throughout their organizations, and this takes in the motor truck department along with other departments, each separately and with an individual figure. This provides an incentive equally as good with which to work for improvement.

There is nothing difficult to understand about the working of a budget cost plan. Either a small or large concern can use it.

Suppose, for illustration, a concern uses a fleet of four trucks which may be considered as equipment necessary for the operation of the business. It may, at the start, establish an arbitrary percentage figure based on previous experience, as can be done from previous cost records. This figure may be, say,

15 per cent of total gross earnings. It is to include all items of truck expense, such as drivers' wages, operating and maintenance costs, garage rent, depreciation of equipment, insurance, portion of general superintendence, salary of truck superintendent, etc. At the end of the first year the gross total of truck expenses should be watched with the figure of gross yearly volume to obtain the percentage which represents the cost of truck operation. This figure is then viewed in the light of a budget, which provides a guide year after year as to whether the service is becoming more efficient and more economical.

Budget plans, however, go considerably farther than this, by budgeting the individual items of cost among the trucks themselves. It is through this yearly comparison of individual truck expense budgets that the greatest opportunity may be found for reducing costs and showing a more favorable yearly percentage in the general budget.

Renting Often Pays

THE Pittsburgh experiment brings up also the question as to the advisability of buying equipment versus renting it from outside transportation companies on contract arrangements as the service is needed.

An instance of exactly what this means is that of a concern whose methods the writer was recently privileged to observe. Vehicles had been installed to handle the maximum peaks of business in the year. Equipment which had been installed to meet this peak demand consequently remained either idle or not fully busy during the greater part of the year.

It was discovered that unusual economies could be obtained by maintaining a number of vehicles that would involve the very minimum of such waste, and renting extra equipment or outside service to fill in for the peaks.

It is true that this delivery route will run more smoothly, dependably and easily when all trucks that are used are purchased by the concern and maintained all year 'round. Body designs and sizes can in this way be matched exactly to meet the requirements, whereas some difficulty may be experienced in renting equipment that will handle the work as well.

However, the writer has observed enough instances of economies gained by this kind of waste elimination to feel warranted in making the suggestion and urging that it be carefully considered.

To determine whether vehicles may be more economically rented than owned, it is necessary, of course, first to analyze the actual needs of the business and find out how much waste now exists under the number of vehicles employed. It should be remembered, in the case of city routes, that, while the city business may become slack in summer, the suburban or outlying business may increase. It should be considered that, while summer may represent a slow month for business, the greater length of stops in outlying sections (which business might and should increase) will

mean that more vehicles are required to handle what may actually represent a smaller volume of profitable work.

In a number of concerns it is considered to be the best policy to own as many vehicles as can be owned without waste. In this case the firm owns sufficient equipment to care for the smaller peak loads, but not the disproportionate extreme loads. For the extreme requirements of that peak, hired trucks are resorted to.

Buying Versus Renting

A COMPANY has one vital condition to be considered before deciding when to buy and when to rent a truck. That condition is whether purchasing a vehicle will involve enough idle time in the course of a full year to make up for the difference in cost between an owned truck and one that is rented when extra equipment is needed.

Perhaps the problem can be best expressed by "How can we handle our work during the busy season and at the same time have a minimum of empty vehicles on hand during the dull season?"

If we figure the rush-season hauling requirement at 100 per cent it is not difficult to estimate a percentage that will represent the dull season. For instance, an owner might find that his lowest average is 50 per cent of his highest average. In such a case he might install a 75 per cent equipment. During the rush season he may put on an extra shift of drivers, working his trucks more hours per day and overload very occasionally if necessary.

There are serious disadvantages to this plan, however, unless measures are adopted to safeguard against them. Overloading and subjecting the delivery car to severe grinds are not ordinarily to be recommended as a general policy, as higher repair costs and depreciation more than make up for the saving effected. But as a temporary measure during rush seasons only—provided the season is not too long—if the owner has purchased high-grade equipment and if lubrication, inspection and other items of maintenance care are considered accordingly, experience has shown that this plan can be used satisfactorily.

Perhaps the most commonly adopted method used is that of purchasing sufficient equipment to handle the normal business and then renting additional delivery cars as needed. For the most part this is a reasonably efficient plan and, where it is possible to rent equipment on short notice at a reasonable cost, it may be generally recommended.

This plan reduces idle time to an absolute minimum, and the company whose business is subject to uncertainties for intermittent expansion will do well to adopt it.

Long Beach Firm Builds

The Lamb Transfer Co., Long Beach, Cal., is constructing a \$50,000 warehouse, two stories high and 125 by 143 feet, at San Francisco Avenue and Cowles Street.

This Ultra-Modern Van for Long Distance Removals Has Some Unusual Features of Construction



Upper left, side view of \$8,500 van job developed by John Molan, operating manager of the Atlas Storage Warehouse Co., Philadelphia. This is a Gramm Imperial Senior 236-inch wheelbase chassis with a Gerstenschlager body 19 feet 6 inches long, 7 feet 10 inches high and 7 feet 6 inches wide. Upper right, front view, showing two electric windshield wipers operated from the bottom instead of the top; Eaton-light attached to bumper rail, to pick out house numbers and roadside dangers, and controlled from cab; and peak light. Lower left, the disappearing tailboard pushed back into body; lower right, tailboard extended.

A NOTABLE addition in the shape of a big motor van for Allied Van Lines, Inc., business was delivered recently to the Atlas Storage Warehouse Co., Philadelphia, from the Gramm factory in Wooster, Ohio. On the way to the Quaker City it carried a load from Steubenville, Ohio, and at 1 a. m. on a subsequent morning it left on its christening trip out of Philadelphia, bound for Newbern, N. C.

The new vehicle, with a Gramm Imperial Senior chassis, Model 231, and a body built by Gerstenschlager of Wooster, is said to be the most originally constructed and equipped van ever produced for the long distance moving of furniture and household goods and has hitherto unheard of conveniences for driver and helper. Its unusual specifications were developed in the office of the Atlas company, largely by John Molan, the company's operating manager, who devoted months of study to the problem of making the van outstanding in its special improvements as contrasted with the ordinary type of vehicle of this general nature.

Included among the innovations designed to be of practical use and comfort in long distance moving jobs are such contrivances as a disappearing tailboard, pushing back inside the body; a vanishing towing hook, pushing back in an

aperture beneath the tailboard space; cab seats equipped with air-hydraulic control; a door on each side of the body, of especial convenience for unloading in one-day streets, in addition to full-length rear doors, the keys for all being interchangeable for the Yale locks; cab-controlled light on the bumper rail, useful in picking out house numbers in the dark and such road menaces as side ditches; all glass work of shatterproof construction, and even electric cigar lighters in the cab. The cost was approximately \$8,500.

Following are specifications in closer detail:

Length, 19 feet 6 inches; height, 7 feet 10 inches; width, 7 feet 6 inches; wheelbase, 236 inches. The motor is a Continental, 16-H, and 128 brake horsepower is developed. It has dual ignition, and the voltage is regulated on the generator to avoid overcharging the battery. The governing is $7\frac{1}{2}$ miles in low, 15 miles in second, 30 miles in third, and 50 miles in high. The chassis lubrication system is automatic; there are four Houdaille shock-absorbers and the air-brakes are of Westinghouse manufacture. The tires, 36 x 8, have seven air containers each.

The lining of the body is of veneer, there being no inside pads, while the cross-sills, panels and controls are of

aluminum. The cab is equipped with individual bus-type seats with air-hydraulic control, the air for the cushions and the hydraulic feature for the seat pedestals. The helper's seat has the novel and extremely useful feature of being of revolving type, thereby eliminating much getting up and turning around.

The cab contains an Ohmer recordograph; two adjustable electric fans; Tropic-aire hot water and electric fan heater; eight-day clock with luminous dial; electric cigar lighters; a comfortable sleeping bunk and an arrangement in the peak, which has a trap-door in its flooring, whereby extra sleeping quarters may be set up. The glasswork throughout is shatterproof, and all nickel work is of aluminum, or of chromium, plated.

The bumper rail is equipped with an Eaton-lite controlled from the cab and extremely useful in picking out house numbers in the night, as well as in locating roadside dangers. There are ten electric Surelite lights for the controls. Inside the body are two rear spotlights, of great aid in loading, and there is a dome light opposite the center doors, and a peak light. In addition, there are two 8-inch stoplights which can be left permanently attached and used as road lights. There is a backing light with a white lens;

a reflecting light and an outlet for a trouble lamp to be attached for repairing purposes; also two trouble lamp outlets, one on each side of the body, and two lamp sockets in the cowl, opposite the motor, for aid in making repairs and in locating trouble.

Two electric windshield cleaners work from the bottom instead of the top, permitting greater visibility for the driver than attachment by the usual method. A quickly operated disappearing tailboard, pushing back into the body, and

a towing hook that vanishes in similar manner in an aperture beneath are special conveniences, the latter feature preventing tearing of the body by the exposed hook. A door on each side of the body makes loading and unloading easy in one-way thoroughfares, and the keys for the Yale locks on these doors are interchangeable with the lock on rear, full-length, double doors.

A few months ago the Atlas also placed in operation for Allied Van Lines, Inc., business a large, improved Relay

model van. Five months before any other Philadelphia storage warehouse company installed a special van for Allied agency work, the Powelton Co., then known as the Powelton Storage Co., put into operation a large Sterling model. As eastern division chairman of the Allied Van Lines of the National Furniture Warehousemen's Association, Frederic E. Aaron, who was president of the Powelton firm, is thoroughly sold on the plan now promoted by AVL Inc.

Cincinnati Motor Terminals Co. Requests I. C. C. Recognition of Its Containers

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Bldg.

WASHINGTON, D. C., July 3.—Full recognition of the "superior advantages" possessed by the Motor Terminals Co.'s motor-hauled containers over the railroad-operated trap car for the economical interchange of less-than-carload freight at important terminal centers has been requested of the Interstate Commerce Commission in a brief filed by John J. Esch and Robert W. Woolley, counsel for the company.

The brief contains a detailed exposition of the numerous benefits, both to the shipper and the carrier, of the container system as opposed to the trap car system now generally in use on the railroads throughout the country.

The explanation of the position taken by the Motor Terminals Co. was filed with the Government's regulatory body as an aid to the Commission in pursuing its present investigation into the rates, charges, regulations and practices governing the use of "containers" for the transportation of less-than-carload freight.

Hearings on the Commission's investigation have been concluded and a proposed report comprising Examiner Ames' recommendations is expected to be submitted to the full Commission body for consideration in the near future.

The Motor Terminals Co. requested the Commission to approve its container, under proper regulation and classification, as carrier equipment available to be prescribed by the carriers in tariffs filed with the Commission for interstate line-haul movement.

It was pointed out that the company's container has a long record of satisfactory performance—longer, in fact, than any other type of container introduced during the proceedings before the Commission. Ten years of successful operation have been accomplished by the New York concern's subsidiary, the Cincinnati Motor Terminals Co., Cincinnati. This successful operation of the Cincinnati concern has developed and accentuated the fact that the cumbersome and time-consuming trap car method of interchanging less-than-carload freight at congested terminals is so costly as to constitute a very considerably and con-

stant source of loss to the railroads, it was emphasized.

Whereas less-than-carload freight represents not more than 5 per cent of the total freight movement of the average railroad, from 25 to 35 per cent of the total box cars are required for the handling of this 5 per cent.

"Since 10 years' successful operation of the Motor Terminals Co. system has resulted in such tremendous car economies in Cincinnati, frequently cited by railroad men as a peculiarly difficult operating problem, and has so greatly expedited through-line L.C.L. freight with prodigious reductions in loss and damage claims," the brief expressed the hope that the Commission "will see its way clear to order the adoption of the container system by carriers at other important terminal points."

Congestion Observed

It was pointed out that the industries at large industrial terminals have outgrown the tonnage capacity of the original centrally located freight stations. The carriers have extended their plants through the construction of rail substations in the outlying industrial zones, but with few exceptions the original stations have not been rebuilt or enlarged, it was said. The railroads have concentrated on cutting line haul expenses by improving right of way and rolling stock and giving little thought to terminal extensions.

"A further indication of the importance of promptly and economically handling interline L.C.L. freight, as does the Motor Terminals Co. container system at Cincinnati, and to emphasize the considerable part this system inevitably plays in the line-haul movement," says the brief, "6 typical eastern carriers in 1927 handled 82 per cent more L.C.L. freight than they originated. Six carriers in the southern district handled 66 per cent more L.C.L. freight than they originated, and nine carriers in the West handled 53 per cent more—all emphasizing the volume and importance of interline service such as performed by the container system."

An indication of the high degree of efficiency attained by the Cincinnati concern was revealed when the brief stated

that in 1929 a total of 261,202 tons of carrier freight were handled through the company's containers. More than 2,000,000 tons have been handled since the commencement of activities in 1917, it was said.

On the more than 2,000,000 tons handled by the company to date, less than \$5 has been involved in loss and damage claims.

During past year the company's truck fleet was in service 55,281 hours. The loaded mileage (all loaded trips) was 183,134. Empty body mileage was 65 per cent of the mileage when loaded, and 27 per cent of the total mileage, amounting in 1928 to 76,632 miles.

The fleet made 69,429 loaded trips out of 134,220 trips of all kinds. Empty body trips amounted to 42,991, or 32 per cent, while the loaded trips amounted to 51 per cent of the total trips. The average miles per loaded trip were 2.61.

The present composite type containers are 3700 pounds tare, or 850 cubic feet, while the new type steel containers now being constructed by the company will be 3200 pounds tare.

The overall dimensions of the new container at 6 inches longer than those now in service, being 18 feet in length, 8 feet in width, and 7 feet 6 inches in height, or 1000 cubic feet.

The containers are motor-driven and are hoisted onto flat cars by means of cranes.

—Michael M. McNamee, Jr.

Groves Firm in New Location

The Groves Storage Warehouse Co., Inc., Kansas City, Mo., removed on July 1 to a three-story warehouse, on which it has taken a five-year lease, at Linwood Boulevard and Holmes Street. The former location was at 2609 Walnut Street. The new quarters gives the company about three times as much space. A rug-cleaning department will be added.

Harris Warehouse Opened

The new storage building of the Harris Transfer & Warehouse Co., Birmingham, Ala., has been completed and the company is now located at Thirteenth Street and First Avenue South.

WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is of general interest to the industry as a whole. No effort is made to present complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

American

At a meeting of the general board of the American Warehousemen's Association, held in Chicago on June 12, it was voted to have the organization's thirty-ninth annual convention take place at the Edgewater Gulf Hotel in Biloxi, Miss., on Jan. 20 to 23, inclusive, 1930.

This will be the first time that the American's delegates have assembled in Biloxi. The Edgewater Gulf was the scene of a winter meeting of the National Furniture Warehousemen's Association several years ago.

Atlanta

ANNOUNCEMENT was made by Harry C. Zaban, Atlanta, on the floor of the Mackinac convention of the National Furniture Warehousemen's Association in July that the Atlanta Furniture Warehousemen's Association had been organized by a group of storage executives in that city.

George Sebold, vice-president Walker Storage & Van Co., is president, and the secretary is J. M. Cherry, president of the Cherry Transfer & Storage Co.

The other member companies are the Cathcard Van & Storage Co., Inc., Skinner Bros. Transfer & Storage Co., John J. Woodside Storage Co., Inc., and Zaban Storage Co.

British Columbia

THE General Cartage and Storage Association of British Columbia, Canada, held its twelfth annual meeting on May 1 at the Hotel Grosvenor in Vancouver. Officers and general executive committee members were elected as follows:

President, Robert Wilkinson, secretary Reynolds Cartage & Storage Co.

Vice-president, E. O. F. Ames, president Campbell's Security Fireproof Storage & Moving Co., Ltd.

Treasurer, W. Dalton, secretary Vancouver Warehouses, Ltd.

Executive members, the foregoing and G. Hardy, Merchants Cartage Co.; Elmer Johnston, president Johnston Storage Co., Ltd.; David Scott, partner Scott & Pease; chairman baggage section, T. Niven, Vancouver Transfer Co.; chairman dump truck section, F. P. Clark, General Truck Co.; chairman fuel section, E. C. Howell, Evans, Coleman &

Evans; chairman household goods removals and storage section, Fred Crone, president Crone Storage Co., Ltd.; chairman heavy cartage section, F. D. Gross, Mainland Transfer Co., Ltd.; chairman merchandise section, G. H. Cottrell, president G. H. Cottrell, Ltd.; chairman rural truck transportation section, T. C. Bosley, Fraser Valley Motor Freight.

E. A. Quigley continues as secretary.

It was announced that Elmer Johnston had been appointed to represent the association on the city's unofficial traffic commission.

California

STORAGE executives from all parts of the Golden State assembled at the Palace Hotel in San Francisco on May 24 and 25 to attend the ninth annual convention of the California Warehousemen's Association.

W. H. Dillon, of the Southern Pacific Milling Co., with offices in San Francisco and operating agricultural storage plants in various cities, was elected president after having served as vice-president and on various committees. He succeeds Merle E. Turner, Los Angeles. The other officers were reelected. Leon A. Bailey, San Francisco, continues at secretary-manager.

The reports of Mr. Turner as retiring president and the chairman of the various committees reviewed the year's activities and accomplishments.

The report of the Government competition committee, headed by J. W. Howell, San Francisco, and ensuing discussion showed that the members felt that State-owned warehouses were unnecessary because (1) they created competition in a field already too competitive due to the number of privately owned plants; and (2) they have proved excessively expensive in construction and operation; and (3) the tax burden for the State-owned plants was passed on to the people, including the warehousemen, so that in effect the latter were forced to support their unwelcome competitors.

C. G. Munson, Los Angeles, in his report as chairman of the uniform accounts classification committee, urged, for the smaller rural warehouses, a classification different from that under which the merchandise plants in the larger cities are governed.

L. D. Owen, Los Angeles, talked on "Ideas on Pacific Coast Warehousing."

The report of the legislative committee, headed by W. E. Jones, San Francisco, was received with particular interest in view of the current scandal in connection with a San Francisco milling and sales corporation—a case wherein some \$300,000 was borrowed by the corporation's head from Bay region banks on warehouse receipts for rice when investigation revealed that possibly the rice was not in storage and certainly was not on hand when called for.

Unanimous condemnation was voiced, speakers declaring that such shady practice might lead to drastic State regulations which would hamper all warehouses and tend to destroy confidence in the industry as a whole. The situation is set forth in an advance call for the convention as follows:

"Recently, at San Francisco, there occurred an instance as to which reports indicate non-member warehouse receipts were issued on farm products not in warehouseman's custody at any time. Certain banks had loaned money, holding these receipts as collateral. The sum involved is said to be considerable. There can be no question but that the welfare of the entire industry is somewhat in jeopardy whenever these things occur. The sanctity of warehouse receipts must be the ideal to which our watchful efforts must at all times be devoted.

"While law and vigilance cannot at all times prevent fraud, we cannot hold that carefully planned action on our part cannot reduce the chance of such wilful error and we should see that as much prevention as possible is developed.

"Is the answer a forced bonding with the State at the considerable expense of bond premiums? Should the Railroad Commission regulations require warehousemen to acquire sufficient capital or reserve to reasonably protect the value of products stored? Do the banks deserve criticism in not themselves establishing a State-wide investigating bureau offering service to member banks to make certain there stands behind each particular warehouse receipt to be used as collateral sufficient standing and capital in respect to the warehouse company?

"Remembering that this question is not a new problem and that these 'breaks' can hit the industry at points of least expectancy, your interests on this subject are direct rather than vague and your counsel is deserved and expected by the association."

When Canada's Warehousemen Assembled at Regina



Above—Some of the delegates who attended the eleventh annual convention of the Canadian Storage and Transferrers' Association at the Hotel Saskatchewan in Regina, June 13 and 14



The retiring president, George H. Chadwick, Winnipeg, and Mrs. Chadwick

E. B. Gould, San Diego, a chairman on the insurance committee, discussed "Warehouse Insurance Business."
—S. L. Brevit.

Central Illinois

THE outstanding feature of the annual meeting of the Central Warehousemen's Association of Illinois, held at the Fort Armstrong Hotel in Rock Island on June 10 and 11, was the appointing of a committee to make a survey of the pres-

ent movement of motor freight over the highways of Illinois and adjacent territory. The president, C. B. Hall, Danville, appointed Clarence A. Ullman, Peoria, chairman, and Fred W. Bohl, Galesburg, and N. B. Gosline, Rock Island.

The discussion took up the better part of a half-day's session and established the fact that every member had been turning over an increasing amount of tonnage daily to the motor freight lines for truck delivery within a radius of ten to a hundred miles from the warehouse.

This tonnage formerly moved by rail and was hauled to depot by the warehouseman, producing a substantial revenue. The loss of this business and the recent rapid development of the motor freight lines in the Illinois territory showed the need, according to Mr. Ullman, "of a complete survey of the present movement of motor freight, the volume in each section of the State, and the costs of delivery by truck per unit of 100 pounds per mile."

The committee was authorized to draw on the association for expenses incurred in making the investigation and was instructed to submit a report at the October meeting.

It was brought out during the discussion that the members now controlled a sufficient volume of freight to establish a cooperating motor freight line, using the member warehouses as terminals and serving the entire State with a respon-



The Dominion organization's new president, Alexander Fleming, general manager of the National Terminals of Canada, Ltd., Montreal, and Mrs. Fleming

sible motor freight service. This will be considered by the committee as part of the survey.

The association's officers were re-elected for another term, as follows:

President, C. B. Hall, president Danville Transfer & Storage Co., Danville.

Vice-president, T. P. Bradford, partner Merchants Transfer & Storage Co., Springfield.

Secretary, Russell E. Hillier, partner Hillier Storage Co., Springfield.

Treasurer, A. W. Hillier, partner Hillier Storage Co., Springfield.

Executive committee, Clarence A. Ullman, president Federal Warehouse Co., Peoria; Robert R. Johnson, president Johnson Transfer & Fuel Co., Bloomington; John W. Hamman, president Hamman Bros. Transfer & Storage Co., Decatur, and H. J. Crandall, president Crandall Transfer & Warehouse Co., Moline.

Henry Reimers, Chicago, executive secretary of the National Furniture Warehousemen's Association, reviewed the progress of the Allied Van Lines, Inc., giving figures which indicated that more than \$1,000,000 worth of long distance moving would be handled during the first fiscal year of operation; and that an increased percentage of matched loads for return trips was being made.

M. R. Range, Jacksonville, preached the Golden Rule in a paper on the "Relations of a Warehouseman to the Public and to Fellow Members." He urged the members to advertise the word "Protection" more than "Service" and to build confidence in the minds of the public that would justify a price with a profit.

"Creating New Business" was discussed by Andrew Voss, Rock Island, in a paper which was written around the

They Posed for "Andy" Murray's Traveled Camera



Left—E. A. ("Chub") Quigley, Vancouver, the association's secretary, and Harry France, Moose Jaw. Center—Some of Canada's fair ones ably escorted by Chester B. Carruth, Chicago, statistician of the merchandise division of the American Warehousemen's Association. Right—Mr. and Mrs. Elmer Johnston, Vancouver



1, Fred Johnston, Calgary; J. A. Verner, Saskatoon; E. O. Wallace, Calgary. 2, Mr. and Mrs. H. A. Knight, Regina. 3, Mr. and Mrs. C. G. McKeag, Winnipeg; Mrs. R. V. MacCosham, Edmonton; A. Godfrey Fournier, Ottawa. 4, Mr. and Mrs. R. V. MacCosham, Edmonton. 5, John McNeill, Edmonton

Rotary slogan "He profits most who serves best."

Secretary Hillier read an invitation to the Illinois executives to attend the joint Kansas-Missouri-Oklahoma meeting in Kansas City next October.

Opinion was expressed that a central Illinois city should be selected for the October meeting of the Central Illinois association in order to assure sufficient attendance to transact the important business already on the fall program. Jacksonville seemed to be favored.

Secretary Hillier read a paper which urged that all goods on long distance moves, particularly in connection with AVL Inc., be listed in detail and that they be checked on and off the vans; he claimed that this would protect the haulers and be valuable in cases of claims.

H. F. Chester, Champaign, talked on advertising, giving his experience with newspaper, telephone directory and direct mail publicity.

L. E. Stone, Des Moines, brought greetings from the Iowa warehousemen and told of the recent enactment of a regulatory measure, by the Iowa Legislature, which will soon bring commercial

haulers under supervision of the State Railroad Commission. He predicted that rates would be regulated, based on costs of operation as would be shown by a study now being made.

At the banquet R. A. Jacobson of the Rock Island Chamber of Commerce talked on "Waterway Developments." He has been active in recent terminal and barge line activities along the Mississippi and spoke of the great progress of the past few years in freight movement on the river. This growing volume of traffic will bring a new commerce to the valley States, he said, and was saving many thousands of dollars annually to the people in the territory through reduction in freight rates. He assured the warehousemen that the construction of the new river barge line terminals would not mean competition to their industry because only a limited storage space would be provided, and that for goods of immediate transport.

—Willis D. Lect.

Illinois F. W. A.

AT the recent annual meeting of the Illinois Furniture Warehousemen's

Association officers and directors were elected as follows:

President, Earl C. Iredale, president Iredale Fireproof Warehouses, Evanston, Highland Park and Winnetka.

Vice-president, W. S. Conklin, manager Jackson Storage & Van Co., Chicago.

Secretary, James L. McAuliff, secretary David Fireproof Storage Warehouses, Chicago.

Treasurer, W. H. Collin, secretary Empire Warehouses, Inc., Chicago.

Directors, the foregoing and Martin H. Kennelly, president Werner Bros. Fireproof Storage Co., Chicago; A. H. Hollander, president Hollander Fireproof Warehouses, Chicago; Walter P. Thiebault, vice-president Habard Storage Warehouses, Chicago; Ralph J. Wood, president Lincoln Storage Corporation, Chicago.

Kansas

THE Kansas Warehouse & Transfermen's Association has begun publication of a bulletin edited by the presi-

dent, Earl W. Jones, Wichita, and the secretary, M. E. Cuykendall, Wichita.

The first issue reviews a recent meeting of the directors and discloses that Government and State competition is in their opinion one of the major problems. This includes the Government's action in storing sugar at St. Louis and other Mississippi River points, and use by the State of the fair buildings at Hutchinson for storage.

Committees have been appointed by Mr. Jones. The chairmen are L. D. Ferguson, highway; A. G. Barnett, taxation; E. F. Dean, legislative; L. J. Canfield, inter-association; A. B. Shaffer, membership, and U. O. Bryan, convention.

Kansas, Oklahoma and Missouri

PLANs for a cooperative convention of the warehousemen's Associations of Kansas, Oklahoma and Missouri were made at a meeting of the presidents of these three State organizations in Wichita on June 19. Attending the conference were William A. Sammis, Kansas City, president of the Missouri Warehousemen's Association; Robert A. Weicker, Oklahoma City, president of the Oklahoma Transfer & Warehousemen's Association, and Earl W. Jones, Wichita, president of the Kansas Warehouse & Transfermen's Association.

The tri-State assembly, which will be held in Kansas City, Mo., on Oct. 18 and 19, will not interfere with the regular business meetings of the three associations, according to Mr. Sammis. Each will hold sessions in conjunction with the larger convention.

The purpose is cooperation by the warehousemen of the three States with regard to legislation and other interstate problems.

The warehousemen in Kansas City are making preparations to act as hosts to the storage executives of the three States.

—Kenneth Force.

Massachusetts

GENERAL warehouse occupancy throughout the country has improved, Samuel G. Spear, Boston, president of the Massachusetts Warehousemen's Association, told the Bay State storage executives at their June meeting, held at the Exchange Club in Boston on the 18th.

Raw sugar in the port warehouses and refined sugar in the interior warehouses was now a substantial factor in the increase in business, due in part in anticipation of tariff revision, Mr. Spear declared.

—S. F. Holland.

Minnesota

THE midsummer meeting and outing of the Minnesota Warehousemen's Association will be held on Aug. 23 at Fawcett's Breezy Point, on Big Pelican

Lake, Pequot, about 165 miles north of the Twin Cities.

The Minnesota executives had planned to assemble on a lake vessel and go to Port Arthur and return, as has been the custom in the past, but prior reservations on the boat made a change necessary.

New York F. W. A.

AT the June meeting of the New York Furniture Warehousemen's Association, held at the Aldine Club on the 10th, it was announced by the secretary, William T. Bostwick, that the board of directors had taken action against firms which had contracted for more space in the telephone directory than had been agreed upon in a resolution adopted some months earlier.

The board had suspended one firm for a year, effective June 1. Two companies had been assessed \$200 each and one company \$100, and another had been reprimanded. In the case of the firm suspended, the directors had felt that the violation was deliberate; Mr. Bostwick reported.

New York Port

THE Warehousemen's Association of the Port of New York at its June meeting held at the Whitehall Club on the 18th, adopted a resolution, which was sent to President Hoover, the Prohibition Director and the Senators and Representatives of New Jersey and New York, protesting against "abusive use of authority" by special Treasury agents who, representing the Prohibition authorities, entered the premises of one of the association's members on June 6, suspended business for two hours, searched the person of the warehouseman and placed him under arrest for hearing by the grand jury under \$2,500 bail, "though no crime was charged or discovered."

The visit was declared in the resolution to be an "unwarranted attack" constituting an "unjust and indefensible pretension to enforce the law." The American Warehousemen's Association was requested to act similarly.

In anticipation of a tariff bill amendment providing for payment of a warehouseman's charge on seizure room goods, the association adopted a resolution appealing to Congress "for the establishment with the Treasury Department of a fund out of which the costs of storage and all other services incident thereto can be paid." The memorial declared that the books of bonded warehousemen "show unpaid accounts of charges on unclaimed merchandise in tens of thousands of dollars that public sales did not realize sufficient money to pay."

At its May meeting the Port association adopted a resolution recording with the Secretary of War "its steadfast opposition" to the policy of the Federal barge line giving free storage of sugar" and requesting Congress to protest to the Inland Waterways Corporation "to

correct a policy that portends disaster to a legitimate and tax paying industry that should be supported and maintained in the service that it renders agriculture, manufacturing and shipping."

Minneapolis and Memphis were mentioned, in this memorial, as places where free sugar storage was being given, with St. Louis and other points in prospect. The practice was declared to be in contravention of the barge line's business as a carrier only, and also to be "in violation of the law of 1920 governing the giving of rebates in order to influence business." The resolution added:

"Acquiescence in this practice will induce railroads to offer similar free storage, or storage at unreasonably low rates, in order to attract freights to their lines and will generally tend to injure and destroy the warehouse industry."

New York State

THE eighth annual meeting of the New York State Warehousemen's Association was held at Fort William Henry Hotel, at Lake George, on June 21-23. Guests included James F. Keenan, Pittsburgh, president of the National Furniture Warehousemen's Association, and Martin H. Kennelly, Chicago, president of the National's Allied Van Lines.

U. C. Leckinger, cashier of the B. R. & P. Warehouse, Inc., Rochester, was reelected president, and William T. Bostwick, president of the Thomas J. Stewart Co., New York City, was again chosen secretary and treasurer. W. P. Dunlap, president of the Leonard Warehouses of Buffalo, Inc., Buffalo, was elected vice-president. The new board of directors comprises the foregoing three and John B. Southee, president of John B. Southee, Inc., Binghamton; Barrett C. Gilbert, vice-president of the Gilbert Storage Co., Inc., New York City; W. F. Firth, Beard's Erie Basin, Inc., New York City; Joseph W. Glenn, partner of O. J. Glenn & Son, Buffalo; Arthur A. Blanchard, president of the Blanchard Storage Co., Inc., Rochester; E. J. Tucker, secretary of the Monarch Storage & Warehouse Co., Inc., Buffalo; Ray M. King, president of the King Storage Warehouse, Inc., Syracuse; Charles A. Winslow, president of the Winslow Trucking Co., Inc., Watertown; Louis Schramm, president of the Chelsea Fireproof Storage Warehouses, Inc., New York City; Charles S. Morris, president of the Metropolitan Fireproof Warehouse, Inc., New York City, and John F. Weis, president of the Rochester Storage Warehouses, Inc., Rochester.

—P. J. O'Connor.

Washington State

THE Washington State Warehousemen's Association held its annual meeting on May 18 and elected officers and directors as follows:

President, Millard Johnson, president Spokane Transfer & Storage Co., Spokane.

Vice-President, J. E. Turnquist, presi-

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dent A. A. Star Transfer Co., Aberdeen.
Secretary, R. R. Mitchell, secretary
System Transfer & Storage Co., Seattle.
Treasurer, A. J. Hamilton, Seattle,
North Pacific Coast manager Trans-
Continental Freight Co.

Directors, the foregoing and W. G.
Dickinson, president Lambert Transfer
& Storage Co., Seattle; James A. Walk-
er, president Reliable Transfer & Stor-
age Co., Seattle; John Barnett, secretary
American Warehouse Co., Seattle; C. C.
Cater, president Cater Transfer & Stor-
age Co., Spokane; A. B. Courtway,
president Eagle Transfer Co., Inc.,
Wenatchee, and J. J. Crawford, presi-
dent Yakima Transfer & Storage Co.,
Yakima.

A feature of the meeting was an ad-
dress by Mr. Walker on "Misplaced Con-
fidence in Business."

Notes

H. B. Warfield, secretary of Graham's
Storage Warehouse Co., Baltimore, has
been elected secretary of the Maryland
Furniture Warehousemen's Association.
He succeeds A. Bernard Heine, resigned.
Mr. Heine is treasurer of the Fidelity
Storage Co., Baltimore.

The City Transfer Co., Honolulu,
H. T., has been elected to membership
in the Pacific Coast Furniture Ware-
housemen's Association.

The Coast organization's president,
Frank M. Brock, Glendale, Cal., in-
dicated on the floor of the N. F. W. A.
convention at Mackinac Island in July
that the P. C. F. W. A. might change
its name to the California Furniture
Warehousemen's Association.

J. Imhoff & Sons, Port Arthur, Tex.,
have been elected to membership in the
Texas Warehouse & Transfermen's As-
sociation.

The midsummer meeting of the Texas
organization will be held at the New
Crazy Water Hotel in Mineral Wells on
Aug. 15-17.

The Thomases in Europe

W. R. Thomas, manager of the Thomas
Bros. Fireproof Warehouse, Brooklyn,
accompanied by Mrs. Thomas, sailed on
the steamship Olympic on July 19 on
a vacation of three months in England,
Ireland, Scotland and Wales.

Truck Line Enters Warehousing

The German Brothers Transportation
Line, which has been operating a day
and night trucking service between May-
ville, Ky. and Cincinnati, has taken over
under lease a warehouse on East Fourth
Street, Mayville.

Wachter to Build in Bismarck

The Wachter Transfer Corp., Bism-
marck, N. Dak., has awarded contracts
for the construction of a \$75,000 three-
story fireproof warehouse, 60 by 168
feet. The firm engages in merchandise
storage.

Story of Mackinac Meeting of National Furniture W. A.

(Concluded from page 18)

homes had undergone "great changes
in the past decade" and how these had
affected the industry.

"For a profit and for a profitable
business," he emphasized, "there are two
means essential: the first, knowing your
costs; and secondly, selling your services
on a cost plus a profitable basis. Your
association has given you a cost system
which if carried out will clearly indi-
cate which departments are showing a
profit and those which are not."

"Price Reductions and Volume" was
discussed by B. C. Hubbard, Grand Rap-
ids, who pointed out the effect of price
cutting on increasing volume and net
profits. "If there is any business that

"Flying Warehouse"

THE latest in distribution is a
"flying warehouse"—for stor-
age and transportation of aeronau-
tical supplies and spare parts.

The operator is the Aero Supply
Co., in the College Point section of
Brooklyn. A special Aristocrat
airplane is being constructed with
a specially constructed body
divided into compartments and
drawers for storage of the supplies
and parts which will be available
for immediate shipment to any
part of the country.

needs aggressive and sane handling
more than that of a warehouseman," he
commented, "it is time to be getting out
the old black suit and attending the ob-
seques."

Ernest T. Chadwell, Nashville, dis-
cussed "Selling Service." It is possible
to sell service on the basis of superiority,
he maintained, and sane, common sense
and straightforward presentation of
such superiority would get the name on
the dotted line.

"The three requisites for success in
the business of training wild animals,"
Mr. Chadwell said, "are patience, abso-
lute fearlessness, and confidence that
carries no thought of failure. I can-
not think of any three things more nec-
essary in the character of the man who
goes out to sell a service such as we
have to offer."

In a talk on the association's code of
practice, S. S. David urged observance
of the code and maintenance of prices.

Owing to the shortage of time on the
final day, several prepared papers were
not read but will go into the record.
These include "Industrial Relations," by
W. R. Thomas, Cleveland; "Railroad
Classification of Household Goods," by
Walter J. Riley, Chicago; the report by
C. W. Pimper, Washington, D. C., as
chairman of the Committee on Standard
Depreciation; and one by W. T. Cal-
lahan, Miami, on the Florida relief fund.

The golf tournament attracted a
record-breaking number of entries;

about 150 teed off, with W. P. Theibault
supervising arrangements as the ar-
rangements as the golf committee's
chairman.

For the Milo Bekins cup, E. L. Val-
entine, Aurora, Ill., and Herbert Bragg,
New York, tied with a low net of 66 and
the former won the play-off. Other
prize-winning low net scores were 67 by
James M. Walker and Morrison Wood;
69 by Louis Schramm, Jr.; 70 by Wilson
Collin, Michael Murray and C. F. Cook;
71 by Joseph Hackett; 75 by George
Rhame and Harry Schroeder, and 76 by
Don Lynch.

The inter-city low net prize, the
Niedringhaus cup, was won by Mor-
rison Wood, J. Barret and Michael Mur-
ray, Chicago.

The first low gross score was 81, by
"Tom" Leonard, Detroit, followed by
83 by "Rusty" Lay, Oil City, Pa. Other
winning low gross awards were won by
Malcolm A. Keyser, J. A. Squair, E. A.
Eulass, Marian Niedringhaus, C. J.
Hamilton and Harry C. Zaban.

The "kicker" prize went to "Tom"
Blodgett, and various "mystery" awards
to H. L. Drew, Joseph H. Troyer, Walter
E. Sweeting, M. P. Hall, W. F. Walsh,
"Cappy" Ricks, "Tom" Skellet, Ralph J.
Wood, Fred Harner, Benjamin Kirchen-
baum, Oliver Skellet, P. P. Hamman and
"Tom" Fetter.

The high gross score was 159, the
high net was 118, and one tyro took 18
strokes on one hole. These three noble
artists won prizes, but their names re-
main unsung here.

Aspinwall Opens Office in Paris

The Security Storage Co., Washington,
D. C., announces the opening of a Euro-
pean office at 31 Place du Marche, St.
Honore, Paris, France. It is in charge
of Mr. de la Rancheraye, who, Parisian
born, was a liaison officer between the
British and French armies during the
war. A statement by the Security adds:

"Luggage or purchases can be sent
to the Security Storage Co.'s European
office for storage and/or shipment, and
inquiry concerning the company's steel
lift vans, which may be available in var-
ious cities in Europe for loading house-
hold goods, works of art, etc., for ship-
ment to various parts of the world, can
be addressed to this office.

"Clarence A. Aspinwall, the president
of the Security, is traveling in Europe
at the present time, visiting the agents
of his company abroad and effecting
arrangements for the expeditious and
careful handling of the company's vans
in the principal cities in Europe."

New Firm in Winston-Salem

The Central Storage & Forwarding Co.,
Winston-Salem, N. C., has filed articles
of incorporation to do a general cold
storage and merchandise warehousing
business. The firm has an authorized
capital of \$100,000 divided into 1000
shares valued at \$100 each. Capital of
\$5,000 has been paid in by R. L. Burgin
and Bessie H. Burgin of Winston-Salem,
W. O. Burgin and Edith G. Burgin of
Lexington.

The Family Album Presents a Story of Louis Leritz

(Concluded from page 34)

The biggest asset which a poor man can have is his good name, Mr. Leritz says. This, he declares, was brought home to him in the early days of his career. Soon after he started in the moving business he found one morning that his harness had been stolen. He had only the one team, so it was imperative that he have more harness, and have it at once. He called on a friend who had a large number of teams hauling coal and asked him to use his influence to get a new harness on time. His friend tried several places and was unsuccessful. Desperate, Mr. Leritz went himself to a harness dealer, and after looking Mr. Leritz up, the dealer said, "You can have two sets if you want them." Later his friend had financial difficulties and came to Mr. Leritz to have him go on a note for \$200. Willing to help, but conscious of the fact that he had no money and no financial standing, as he thought, Mr. Leritz allowed the coal dealer to submit his name as surety on the note, and the bank accepted it without question.

Starting with that first wagon, which he operated himself, Mr. Leritz began to expand his business, gradually taking on helpers; these he selected carefully, with a view to retaining the personalized service which he had built when operating his own team. In 1908 he bought his first truck, a Ford, and in that year he attained his long-planned storage house in the abandoned church. The next milestone was reached when the company put its first large moving van on the streets—a 3-ton Mack, which was one of the first vehicles of its kind to be used locally for moving. The cost was \$4,000. That was in 1911.

After six years in the old church, the company had its first fireproof warehouse built—a five-story structure with 45,000 square feet of floor space. In a short time an addition was necessary, and two floors were added, giving a total of 60,000 square feet.

Ellis Leritz at eighteen went into business with his father, four years after he had quit school to work for his uncle, a contractor. After three years in this job young Ellis went West with a friend to seek his fortune, but one night three months later the boy became homesick and the next day was on his way home to join his father in business.

The Leritz firm is planning further expansion. A new plant will be started within the coming year—to be one of Kansas City's most modern warehouses. The location has been selected and the lot paid for—at 44th and Main Streets, near the southwest residential section. Plans call for safety deposit vaults, space for rugs and garments, a private switch track, and other facilities for convenience and safety.

In the present plant the firm employs twenty-five persons and operates nine motor trucks; one is a Gramm long distance bus with a capacity of more than 1000 cubic feet.

The Leritz family is a busy and active group. Louis Leritz is a past director of the Missouri Warehousemen's Association and is a member of the National Furniture Warehousemen's Association. Ellis Leritz is a past president of the Kansas City Warehousemen's Association and a former vice-president, in charge of the household goods division, of the State organization. Edna Leritz has been president of the Soroptimist Club, one of the city's prominent civic bodies for women.

Looking back across thirty-three years, Louis Leritz is well satisfied with the fate which took him into the warehouse business. He takes no credit for the company's development, but declares that people just gave him their patronage and their money. If he has any rule for success, it is that "Service alone will win where other methods without service will fail." He is moving people now whom he moved three decades ago, and he says that satisfied customers such as these are the lifeblood of his business.

Position Wanted

YOUNG MAN, 23 years old, pleasing personality, practical experience several stock record systems, pool car distribution, all phases cold storage warehousing, desires permanent connection with reliable warehouse; prefers cold storage.

Reply Box W-833, care of *Distribution and Warehousing*, 249 West 39th Street, New York City.

Franklin Firm Moves Billions

When the Hanover and Central Union banks, two of New York's leading financial institutions, merged recently it was necessary to move the securities of both into their new quarters at 70 Broadway, Manhattan. In preference to using privately-owned armored cars, the banks gave the removals job to the Franklin Fireproof Warehouses, Inc., Brooklyn, and the Franklin company did the job between 1 and 8 p. m. on June 29.

B. F. Lenihan, the storage firm's president, notified the police authorities that the work was about to be undertaken, and a force of "cops" was sent for protection and other uniformed men went along with the vans.

The securities, totaling \$5,000,000,000, were packed into wooden containers and moved, one to a truck, in the Franklin company's vans. Each load weighed from 800 to 1000 pounds.

Judson Personnel Changes

The Judson Freight Forwarding Co. has announced that Charles Welker has been appointed assistant general agent and Mitchell B. Howe commercial agent, both in Chicago, while E. T. Hartnett has been made superintendent of operations in succession to H. G. Tarskey, resigned.

State Supreme Court Favors Ford in "International" Suit

THE Ford Bros. Van & Storage Co. (formerly Ford Transfer & Storage Co.), Omaha, has won its case in the Nebraska Supreme Court in a suit brought by the Publication Division International Transportation Association, Inc., Washington, D. C., and Baltimore, to compel the Ford firm to make payment for an alleged contract for advertising space in the International's "Directory of Railroads and Steamships, also Warehouse Service," published several years ago.

The outcome of this case is of interest to more than 200 storage executives throughout the country.

It will be recalled that the International's directory contained listings somewhat similar to those which appear in the annual Warehouse Directory of *Distribution and Warehousing*. In advance of the appearance of the International's book, the Publication Division of the International sent to warehouse companies the latter's listings as they had appeared, copyrighted, in *Distribution and Warehousing's* 1926 Directory. Each listing as sent out by the International's Publication Division was on a sheet of paper in the upper right-hand corner of which appeared a "box" containing small-type text alleged to be a contract to pay \$50 a year for two years in payment for a listing in the International's directory.

The Ford company was billed for \$50 after publication of its listing in the International's directory, and R. A. Ford, president, refused to pay. The International brought suit, and late in 1927 the judge who presided in the case, tried in Omaha, handed down a decision in favor of the warehouse company and against the International. The latter thereupon appealed, and the second trial was in the Douglas County Court in October of 1928. The judge presiding at the second trial gave a directed verdict in favor of the Ford firm, and the International then appealed to the Nebraska Supreme Court, which in turn has now handed down a decision affirming the judgment of the trial court.

The Supreme Court in its decision, after reviewing the situation and quoting from the ruling of the trial court, said:

"Related to the question here involved is the announcement contained in 26 C. J., Sec. 66, 1147:

"Since the very purpose of fraud is to cheat its victim by making him neglect the precautions essential to prevent injury, and to deny relief because the victim was negligent would encourage dishonesty, it is generally held in cases of the character described above that the fraudfeasor will not be heard to say that he is a person unworthy of belief and that plaintiff was negligent in trusting him and was cheated through his own credulity. The rule denying the fraudfeasors the right to plead the credulity of this victim as a defense is especially applicable where there was deliberate and intentional fraud; where the conduct of the speaker or the very

(Concluded on page 60)



International Heavy Duties Are Doing Great Work in the Transportation Field

THESE 2½, 3½, and 5-ton Heavy-Duty Trucks are built for the hardest work in the heavy-duty field—built to like it and built to stand the gaff. Their big, vibration-free engines and 5-speed transmissions combine to give you great power for pulling through all kinds of hard going, and time-saving speed for getting there and back quickly.

The "Steer-Easy" steering gear saves the driver's energy and keeps him sold on his job. The comfortable all-steel cab protects him from unpleasant weather, personal in-

jury, etc. These features have an important bearing on labor turnover.

The Heavy Duties are *work trucks*, all the way through, yet they present a handsome appearance, attracting attention wherever they go. You'll be proud to have them carry your name and haul your loads.

Company-owned branches at 172 points in the United States and Canada, are ready to show you these big Heavy-Duty Internationals and discuss with you their appropriateness for your work.

INTERNATIONAL HARVESTER COMPANY
606 So. MICHIGAN AVE. OF AMERICA CHICAGO, ILLINOIS
(Incorporated)



The International line includes the Special Delivery for loads up to ¾-ton; the 1-ton Six-Speed Special; 4 and 6-cylinder Speed Trucks (shown at left) of ¼, 1½ and 2-ton sizes; Heavy-Duty Trucks ranging from 2½-ton to 5-ton sizes; Motor Coaches, and McCormick-Deering Industrial Tractors, Sold and Serviced by 172 Company-owned Branches in the United States and Canada, and dealers everywhere.

INTERNATIONAL TRUCKS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

State Supreme Court Favors Ford in "International" Suit

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representations relied upon induced the hearers to desist from inquiry; where having heard rumors contrary to the representations made the hearer asks the speaker as to their truth and is assured that the rumors are unfounded and the representations true; where the facts were peculiarly or exclusively within the knowledge of the speaker; or where confidential relations obtained. The rule has also been applied where an innocent misrepresentation was made in unequivocal language, and to cases where the injured party has made an investigation which failed to reveal the falsity of the representations relied upon.

"In *Kelly vs. Peebles*, (Mo.) 182 S. W. 809, it is held:

"The very end and aim of fraud is to deceive its victim, to lull him into a false sense of security, to induce him to neglect some precaution which, if taken, would protect him against the contemplated injury, and to hold that mere negligence on his part thus induced should give sanctuary to the wrongdoer would be to put a premium on rascality and to say that justice is powerless to give relief when the fraudulent purpose is achieved."

"In *White Sewing Machine Co. vs. Bullock*, (N. C.) 76 S. E. 634, 637, it is held:

"We are not inclined to encourage falsehood and dishonesty by protecting one who is guilty of such fraud, on the ground that his victim had faith in his word, and for that reason did not pursue inquiry which would have disclosed the falsehood."

"In a case where a contract was sought to be recovered upon which was shown to be acquired through fraud, the Supreme Court of Iowa, in *Providence Jewelry Co. vs. S. Fessler & Sons*, 128 N. W. 957, 959, said:

"As between the perpetrator of a fraud or his principal who seeks to profit by it on the one hand and the defending party on the other, the rule here contended for is one that does not appeal to the enlightened sense of justice. Cases may be found in which it has been recognized, and cases may at times arise, the equities of which will not be violated by its application, but we are not disposed to enlarge the scope of a rule which permits a party to say, in effect: 'I admit that the contract sued upon was procured by fraud and misrepresentations or by the trick or fraud of my agent; nevertheless, you were too easy a mark; you should not have believed me; you should have been on guard for the trap I set for your feet; and, therefore, the law will effectuate my fraud by enforcing against you a contract to which your mind never gave its assent.' This Court has never given its assent to that doctrine, nor has it any inclination now to do so."

"But appellant in support of its position that there was error on the part of the District Court in holding that the alleged contract was void, being procured

through the artifice and fraud of plaintiff, cites *International Transportation Association v. Mollen*, 230 N. Y. Supp. 665 and *Publication Division International Transportation Assn. v. Blakeslee*, 232 N. Y. Supp. 508. In both of these cases the decision of the Court was rendered upon stipulated facts. The pleadings and facts disclosed in the opinions in the cases cited are at such variance with the pleadings and facts in the case at bar that there is little analogy between them. In the Mollen case but one paper is alleged to have constituted the contract; in the instant case two separate papers form the basis of the alleged contract. There is nothing to show in the Mollen case that the matter to be published was a clipping from a gratuitous publication; the subject matter to be published in the instant case was taken from a free publication. In the Mollen case changes and additions were made in the subject matter by defendant; in the case at bar, no change was made. In the Mollen case it was stipulated that the services performed were of the value of \$100; in the instant case no such admission or concession is made. In the Mollen case no question of fraud was involved; in the instant case artifice and fraud in the procurement of the contract is alleged.

"In the Blakeslee case it appears that on the sheet signed by defendant, 'the first words to catch the eye' were printed in bold type and capitalized, 'Here Is Our Offer'; in the instant case the offer appears deftly couched where no one would expect it to be. The Blakeslee opinion recites that 'no fraud is here alleged except that it is contended that the fact that the offer was printed in somewhat different type from the other parts of the paper constituted fraud'; in the case at bar the answer, in substance, was that by reason of the offer being placed in what appeared to be the caption of the acceptance sheet, it was fraudulently intended by plaintiff to mislead and deceive the defendant. In neither of plaintiff's two cases cited does it appear that the defendants therein, prior to the bringing of the action, repudiated the alleged contract and returned the publication claimed to be the consideration therefor. Hence, there is no such analogy between the pleadings, facts and circumstances of the cases cited and the pleadings, facts and circumstances of the case at bar as renders the holdings in the cases cited applicable to the present case. On the contrary, we are satisfied that appellant's case falls within the rule announced in *Corpus Juris*, *supra*, and the decision of *Kelly vs. Peebles*, *supra*, rather than the rule announced in the decisions cited by appellant.

"After a careful consideration of the facts and circumstances disclosed by the record and authorities cited and arguments made by counsel, we are convinced that substantial justice, in accordance with the better rule of law, has been done in the premises; that the judgment of the trial Court is the only one which should have been rendered, and we, therefore, recommend that the same be AFFIRMED."

Industrial Truck Tires Are Being Standardized

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Bldg.

WASHINGTON, D. C., July 19.—Early returns from the simplified practice recommendations on industrial truck tires show a favorable trend but it is too early as yet to say definitely what the attitude of the industry as a whole will be, according to the Division of Simplified Practice of the Department of Commerce.

The recommendations for standardizing the dimensions were adopted June 6 by the industry in a conference held at the Department of Commerce. The division then began circularizing the industry with acceptance forms. It will be some time before this is completed.

The conference was attended by representatives of most of the large tire and truck manufacturers of the country. The following committee was appointed to discuss possible future changes in the recommendation and to handle problems pertaining to it:

Henry F. Schippel (chairman), of the B. F. Goodrich Co.; E. F. Brunner, Goodyear Tire & Rubber Co.; B. J. Lemon, U. S. Rubber Co.; C. B. Crockett, secretary of the Industrial Truck Association; L. J. Kline, Mercury Manufacturing Co.; C. E. Cochran, chief engineer of the Elwell-Parker Electric Co.

In the opinion of the manufacturers, Mr. Schippel said at the conference, the simplified list as later adopted would cover all the ordinary demands for industrial truck tires. Furthermore, he went on, several even of the standard sizes in the recommendation could be eliminated to advantage; but as those sizes were in demand at present the committee had recommended they be retained for some while yet.

The sizes which it was felt could be eliminated, however, were so marked in the list adopted as to be readily identifiable, with a view to later elimination.

Charles Schroeder, of the Yale & Towne Manufacturing Co., discussed the tendency to overload industrial truck tires. He urged some action looking toward an increase of tire widths for standard capacity trucks. The meeting, however, felt that such an opinion should not be included in the formal recommendations. It did feel, moreover, that this action ought to be undertaken by individual firms, and so expressed itself.

The manufacturers further elaborated their views by stating that the present simplification program applied only to industrial truck tires and not to highway vehicles of any sort, and that it was intended to cover only tires from 9 inches to 27½ inches outside diameter, in which nominal wheel diameter is not less than 5 inches or more than 23½ inches.

Future action is expected, however, in regard to other projects, covering tires of smaller diameter than these, as well as those of larger diameter, including

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CHEVROLET *Six-Cylinder* TRUCKS

Six-Cylinder Performance Outstanding Economy & Exceptional Capacity - - at Amazing Low Prices!

Chevrolet Six-Cylinder Trucks have set a new standard for performance in the low-price field. The new six-cylinder valve-in-head motor is smooth, powerful and unusually flexible in traffic. The four-wheel brakes are quiet and positive. And steering is delightfully easy over any road.

Chevrolet Six-Cylinder Trucks provide gasoline mileage equal to that of their famous four-cylinder predecessors. Rugged construction in every unit gives

them remarkable dependability. And unusual maintenance economy is assured by inexpensive nationwide service and extremely low-priced parts.

Chevrolet Six-Cylinder Trucks are built with an over-length, rigidly-braced, channel-steel frame. This makes possible the mounting of bodies of exceptionally large carrying capacity. And, whether the loads be of concentrated weight or of bulky materials, they are properly distributed and balanced.

But, most remarkable of all, these new Chevrolet Trucks are actually available in the price range of the four! And there is a Chevrolet body type designed to meet your individual requirements. See your Chevrolet dealer today—and arrange for a trial load demonstration.

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN
Division of General Motors Corporation

Sedan
Delivery \$595

Light Delivery
Chassis \$400

1½ Ton
Chassis \$545

1½ Ton Chassis
with Cab \$650

All prices f. o. b. factory, Flint, Michigan

A SIX IN THE PRICE RANGE OF THE FOUR!

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Industrial Truck Tires Are Being Standardized

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those used on highway vehicles, road machines, etc.

The recommendations will go into effect on Sept. 1 in the event, as is expected, they are accepted by a sufficiently large proportion of the industry to assure success.

Following are the recommendations which are now before the industry:

I. The dimensions given in the following table for width of tires and for nominal wheel diameters shall be standard for flat base tires:

Width of Tire in Inches	Nominal Wheel Diameters in Inches
*2½	*6
3	6½, 12¼, *14, 16, 20
3½	*6 8, 11¼, 12¾, *14, 16, *17¾, 20, 23½
4	12¼, *14, 16
*4½	*17¾
5	*5, 6½, 11¼, 12¾, 16, 20, 23½
6	6¾, 6½, *17¾
7	20

*See Note under Section II.

II. The dimensions given in the following table for width of tires and for nominal wheel diameters shall be standard for channel base tires:

Width of Tires in Inches	Nominal Wheel Diameters in Inches
3	20
3½	12¼, 20, 23½
5	12¼, 23½

*NOTE: The manufacturers believe that the above channel base tires, and the sizes marked * in Section I, can at some future time be eliminated from the list of standard sizes. They therefore recommend careful consideration of the possibilities for such elimination. The Standing Committee will receive all suggestions to this end, and will present them for action at the first revision conference.

III. Tolerance on nominal wheel diameter, plus .005 inches, minus .000 inches.

IV. Mold Height of tires, 2 inches.

V. Inside circumference of tires to be determined by deducting from standard wheel circumference the amount shown in column "C" below:

Nominal Diameter of Wheel	"C"
5 in. and over, but less than 10 in.	.048 in.
10 in. and over, but less than 15 in.	.078 in.
15 in. and over, but less than 20 in.	.108 in.
20 in. and over, but less than 24 in.	.138 in.

VI. Tolerance on inside circumference of tires, plus or minus .025 inches.

A Review

The following account of the steps leading up to the formulation of the recommendations was given by the division in sending acceptance blanks to members of the industry:

"On account of the rapid increase in the use of all types of industrial trucks, trailers, and tractors during recent years, and the lack of national recognized standards of wheel size and capacity, the number of sizes and varieties of tires used on this equipment has enormously increased. Certain sizes developed for use on special equipment are sold only in small quantities, and in many instances have become obsolete after a short period. Tire manufacturers have long recognized that the great increase in number of molds, some of which are used only occasionally, has created a difficult manufacturing situation, and has resulted in unnecessarily high development costs. The producers have made a careful survey of the de-

mand for each size, to determine which sizes are in greatest demand, and the present recommendations are based upon the data thus secured.

"The establishment of a relatively small number of standard or 'stock' sizes will not only benefit the manufacturers, but will also be of great assistance to all distributors and users of industrial truck tires. Demand will be concentrated upon the standard sizes, thereby promoting reduction of stocks, faster turnover, and better service to everyone concerned. Sizes produced and sold in large quantities will no longer have to absorb a part of the excessive costs of manufacturing, handling and distributing sizes for which demand is small or irregular."

Louisville Purchase

The Louisville Public Warehouse Co., Inc., Louisville, Ky., has purchased the warehouse and storage business of the Pickrell & Craig Co., Inc., of the same city. This gives the former twenty-five storage plants in Louisville.

The Pickrell & Craig firm will continue its merchandise brokerage business at its present address, 209-211 East Main Street. It has been in business since 1902 and operated a merchandise warehouse containing 60,000 square feet of floor space. The company held a membership in the merchandise division of the American Warehousemen's Association.

For Sale

ESTABLISHED moving and storage business within city of New York. Profitable. Property 50 feet by 138 feet with garage, warehouse and modern two-family house.

Address Box X934, care *Distribution and Warehousing*, 249 West 39th Street, New York, N. Y.

Kansas City Merger Yarn

A consolidation of "most of the larger storage and moving concerns in the household goods field" in Kansas City, according to a story published recently in the *Kansas City Times*, was being regarded in local business circles "as possibly the next merger ahead for Kansas City." The account continues:

"A business that is not over thirty years old in Kansas City, the storage of household goods and other articles, has reached the stage that utilized a dozen big warehouses.

"A big advantage is claimed for the consolidation move in the elimination of overhead expenses. Discussion began about six months ago."

The proposed group, the story declared, "was said to be well outlined except for lack of agreement" with one of the leading firms operating two warehouses.

Brooklyn Warehousemen Ask Inquiry Into New Racket

BROOKLYN'S district attorney, Charles J. Dodd, has been investigating the operations of a gang of racketeers which, according to statements made to him, has destroyed thousands of dollars' worth of household furniture in the custody of Brooklyn furniture warehouses.

The racketeers, the district attorney was informed, were hired by an organization which was seeking to control the moving van trade by getting owners of household goods warehouses to join an "association." Attacks were made on vehicles of owners who refused to submit to the demands.

A delegation of warehouse owners and moving van operators went to the district attorney's office several months ago and complained. The spokesman, whose name and those of his associates were kept confidential because the disclosure "might single them out for attention of the flying squadrons" of the racketeers, told the prosecutor that 80 per cent of the owners in the trade had already signed because of fear of damage to their vehicles and contents.

In the course of the inquiry Mr. Dodd summoned to his office, for questioning, a number of the leading warehouse owners of Brooklyn and Manhattan.

Hoist ropes had been rubbed with corroding acid, paint had been thrown into vans and sprayed on the contents, ill-smelling liquid had been poured over furniture, and employees had been intimidated, the delegation told Mr. Dodd.

The "association" employed agents who operated first against the warehouse employees, whom they endeavored to have join a union, the prosecutor was informed; after the man had been signed up, the owners were requested to join the "association" and those who refused found strikes called at their plants, and, on continued refusal, the racketeers began their activities.

Initiation fee of \$50 was charged the warehouse owner for membership in the "association," the district attorney was told further; in addition, monthly charges against members were as follows: \$3 a month for one van, \$2 for each additional van, \$10 a month for the first 30,000 square feet of floor space, and \$2 a month for each additional 10,000 square feet. The membership fees, Mr. Dodd was told, amounted to about \$3,000 for each individual owner and to more than \$300,000 in a year's time for all the owners approached. In return, the delegation said, the members were "guaranteed" protection against strikes.

Boston & Maine Truck Service

The Boston & Maine Railroad placed in service on July 2 six seven-ton motor trucks to handle less-than-carload shipments on routes taking in Holyoke, Easthampton, Amherst and other Massachusetts towns. The fleet is being directed by the Sheldon Transfer & Storage Co., Holyoke.

Dr. JOSEPHUS GIBLETS

Recommends Budd-Michelin Duals in place of other wheels

DR. GIBLETS is professor of Monkeywrenchology at Jake's Garage and Dean of the Faculty in the College of Tough Breaks. It may be said without fear of successful contradiction that when it comes to common ailments like dandruff or wobbling duals—this veterinary knows his animals.

"A whole slew of truck owners has forgot what it feels like to make real dough. They are not exactly ill but they sure ache. Nasty little pains shoot through the old bank roll every time a tire blows out ahead of expectations and schedules. And going home and kicking the dog won't help things—at least it's not a permanent cure. For such cases I would prescribe Budd Duals."

Josephus Giblets

DR. JOSEPHUS GIBLETS has not only developed a swell bedside manner, but his contributions to the profit columns of truck owners have been monumental.

He's done some operating himself, gentlemen.

Why does this famous old practitioner recommend Budd Duals so all-fired stoutly? What's that? No!... No!... We never paid him a cent! Just read his own words...

"Some duals wobble and shimmy. This causes tires to sluff away like nobody's regular work. It also causes headaches, spots before the eyes, and crisp notices from banks.

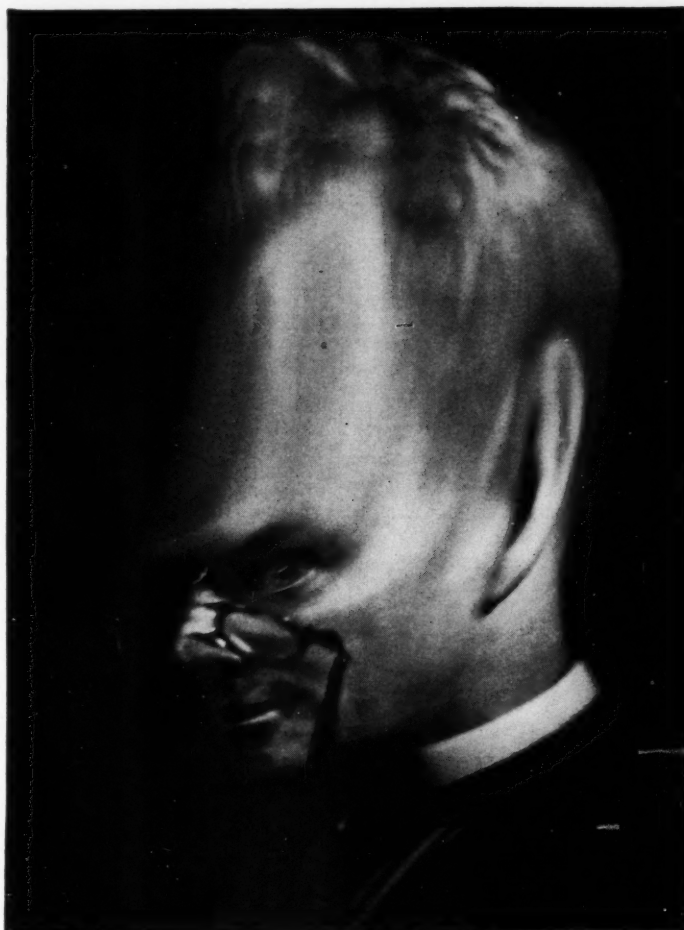
"Budd Duals can't wobble, they can't shimmy. They can't wobble because the esophagus is in molecular equilibrium—which is the medical term for that double-

nut mounting which only Budd Duals have.

"Each section of a Budd Dual is held separately. First you put on the inner wheel—that's held as tight as a Scotchman's pocketbook by a set of inner cap-nuts. Then you smack the outer wheel right on over these—and that's held by the set of outer cap-nuts. Neither wheel can budge a gnat's whisker.

"Ordinary duals depend on just one set of nuts to hold both tires in place—and the germs of wobbling, shimmying, and general discontent breed right there, gentlemen.

"The deuce of it is you never know when you have a wobbling dual and even your best friends won't tell you—till you've scuffed out enough tires to pay for a set of Budd Duals."



DR. JOSEPHUS GIBLETS



Down the Hatch

FROM RADIATOR TO TAIL-LIGHT it is one continuous job of tire buying when you have wobbling duals. Use Budd Duals, avoid the wobble, and keep the bank roll well and healthy.

BUDD WHEEL COMPANY

DETROIT



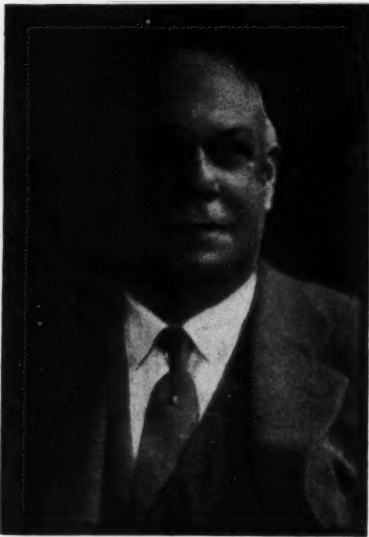
WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Edward T. Jenkins Dies; Veteran Brooklyn Executive

DEATH of July 20 removed Edward Titus Jenkins, owner of the Long Island Storage Warehouses, Brooklyn, and one of the most widely known household goods storage executives in the country. He was 65 years old. The end came at his home, 2 St. Paul's Court, after a lingering illness.

Born in Brooklyn on May 14, 1865, Mr. Jenkins quit school at the age of 16 and went to work in the office of his father, part owner of a surface railway, and spent three years working twelve-hour shifts as a starter. For a few years thereafter he was with a building materials company, and this work led him naturally into household goods ware-

Edward T. Jenkins



Brooklyn household goods storage executive who passed away on July 20

housing. In 1890 his first warehouse was erected, followed by additions and further structures.

In a Family Album sketch of Mr. Jenkins which *Distribution and Warehousing* published in December, 1927, appeared the following:

"During warehousing's early days there were no laws to govern the business, and it was then that Walter C. Reid and Charles R. Saul and Mr. Jenkins got together and decided while talking things over to let any law suit, no matter how small, go through the Courts, for the sake of getting a decision handed down and a precedent established. Thus did the infant industry make its own laws."

A strong advocate of trade organization activity, Mr. Jenkins was a member of the American, National and New York State associations, the New York F. W. A. and the Furniture Warehousemen's Association of Brooklyn and Long Island. Of the last he was one of the

founders and its first president, and was its honorary president at the time of his passing.

Mr. Jenkins' wife died in 1911. He is survived by five children. A daughter, Miss Dorothy Jenkins, was her father's private secretary. Two sons, E. T., Jr., and Clifford N., are associated with the business.

In Brooklyn Mr. Jenkins was known as a philanthropist and as a supporter of the Baptist Church and its activities. He was vice-president of the Industrial Home for the Blind, a charter member of the Brooklyn Chamber of Commerce, a director of the New York Furniture Warehousemen's Association, a director of the New York State Safe Deposit Association, and a member of the National Geographic Society, the Brooklyn Institute of Arts and Sciences, and the Royal Arcanum. During the war he was chairman of the Brooklyn warehouse industry's liberty loan drive committees.

The funeral services, held at the Greene Avenue Baptist Church in Brooklyn on July 22, were attended by many of his warehousing friends, including delegations from the New York and Brooklyn associations.

F. H. Bixby's Son Killed

A telegram received at the National Furniture Warehousemen's Association convention at Mackinac Island in July from Merle E. Turner, secretary of the Los Angeles Warehouse Co., Los Angeles, announced that John Bixby, son of Fred H. Bixby, the firm's president, had died as the result of an automobile accident on June 20.

Atlanta Executive Found Dead

George A. Driffl, president and manager of the Southern Sales & Warehouse Co., Atlanta, was found dead in the bedroom of his home on July 10. There was a bullet hole in his temple, the police reported. He had been in ill health for some time.

Warehouse Pier Damaged by Fire

The Terminal Warehouse Co. pier at Delaware Avenue and Green Street, Philadelphia, leased from the Reading Co., was damaged by fire to the extent of \$200,000 on July 15. Damage to contents was estimated at between \$150,000 and \$200,000.

Accompanied by twenty or thirty deafening explosions of ammonia tanks, the blaze was a spectacular one. Tops and pieces of tanks were blown for considerable distances. Two adjacent piers were damaged and several barges caught fire. A fire chief and eleven of his men were injured. The origin of the fire was not ascertained.

A feature was the ignition of many containers of salt belonging to the Pioneer Salt Co. These burst into flame and hurled upward circular clouds of smoke a hundred feet in diameter, the blaze, of vivid orange and blue, swirling to an altitude of several hundred feet.

Taylor-Edwards to Build a \$540,000 Plant in Seattle

SEATTLE is to have a new modern merchandise storage building—a \$540,000 fourteen-story and basement terminal to be erected by the Taylor-Edwards Warehouse & Transfer Co. of that city. It will be tallest commercial structure in Seattle.

The site, 150 by 120 feet, is at the southeast corner of First Avenue South and Massachusetts Street, in the steadily growing South End wholesale and industrial district. The building will be known as the Taylor Terminal and will constitute a storage, jobbing and distribution center—named after O. C. Taylor, founder of the company and who is its president.

The Taylor Terminal, to be of the reinforced concrete type of construction, will contain 120 offices to house branches of national concerns. Equipment will include the latest type conveyor belt for unloading freight; an elevator system capable of lifting twenty-ton loads to storage, and a fleet of twenty motor trucks for distribution of merchandise throughout the city. Space in the building will be arranged to suit tenants.

The terminal will have a floor space of 153,000 square feet.

Mr. Taylor established his business in 1909. He is a representative of the Universal Car Loading and Distributing Co. and is affiliated with the National Furniture Warehousemen's Association, the Washington State Warehousemen's Association and the Truck Owners' Association of Seattle.

Patten Firm Becomes "Crocker"

The Patten Transfer & Storage Co., which has been in operation in Corpus Christi, Tex., since 1912, has incorporated itself for \$50,000 under State laws and has changed its name to the Crocker Transfer & Storage Co., Inc. The purpose was to effect better handling of a growing business, and the name was adopted because the men identified with the firm are Crockers.

M. L. Crocker, the company's founder, was formerly in warehousing in Arkansas City, Ark. Associated with him are his two sons, C. M. Crocker, the president of the newly-incorporated business, and J. W. Crocker, who is vice-president. M. L. Crocker's daughter, Miss May Crocker, is secretary and treasurer.

The company plans to erect soon its fifth unit—a fireproof warehouse. A furniture van of modern design is being added, bringing the equipment up to three vans and ten trucks.

Motor Vehicle Liability Law in Maine

A motor vehicle liability statute went into effect in Maine on July 15. Under its provisions, as outlined by Wilbur D. Spencer, insurance commissioner, a driver must have property or access to means to pay judgments found against him for offenses prescribed, or must take out liability coverage with an insurance company operating in the State.



Goodyear Tires are meeting the needs of long distance moving on the trucks of J. H. Brenizer, Indianapolis, Ind.

Right—for the fast long haul

"Never in all my seven years' experience in intercity hauling have I experienced such service on any truck tire, as I am now receiving from Goodyears," says the letter from J. H. Brenizer.

Heavy loads which travel long distances at practically passenger car speeds are putting truck tires to a test which was unknown a few years ago. It is the test of heat, generated by rapid flexing—heat not merely in the cord structure, but in the tread rubber as well.

Goodyear All-Weather Pneumatic Truck Tires have been accurately built to withstand this type of service.

There is, of course, superior resistance to the strain of rapid flexing, in the Goodyear cord

material Supertwist. It can easily be demonstrated that Supertwist has quicker recovery from stretching, and greater vitality.

But Goodyear has not relied upon Supertwist alone for the remarkable performance of All-Weather Truck Tires in long distance duty. The rubber in these tires is compounded for rapid heat radiation, and these tires, today, present the perfected balance of heat-resistance and wear-resistance essential to economical performance under modern operating conditions.

In the same way, each Goodyear Tire is specifically fitted to perform definite hauling tasks. Goodyear Truck Tire Service Station Dealers are equipped to give you accurate recommendations on the right tire for your hauling needs.

*More Tons Are Hauled on Goodyears
Than on Any Other Tires*

GOODYEAR

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WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Continental Opens in South Bend

The Grand Trunk Terminal Warehouse Co., headed by Harry S. Hall of Detroit as president, has purchased the plant of the Birdsell Manufacturing Co. at Monroe and Columbia Streets in South Bend, Ind., and is transforming it into a modern distribution warehouse with refrigerating and traffic facilities. The Grand Trunk Western Railroad is rearranging its track at the building, which covers a city block adjacent to the city's wholesale and retail business district and close to the Lincoln Highway.

This is another unit in the chain of the Continental Terminals, Inc., which, with headquarters offices in New York, operates warehouses in Detroit, Cleveland, Albany, N. Y., and Scranton, Pa.

P. G. Stahly, who was vice-president and general manager of the Birdsell Manufacturing Co., becomes associated with the Grand Trunk Terminal Warehouse Co. as treasurer.

Ambition—Adventure—Result

What the *Virginia-Pilot* and the *Norfolk Landmark*, one of Norfolk's daily newspapers, calls "a great municipal adventure," has come to an end—an attempt by the city of Norfolk to operate warehouses, docks and grain elevator in competition with private interests. The Norfolk & Western Railway Co. has taken over and is operating the properties.

The municipality spent nearly \$6,000,000 in pursuing its "adventure." Its losses were approximately \$300,000 a year, according to a Norfolk storage executive, who comments:

"This may prove a warning to ambitious cities which are trying to develop municipal terminals."

Hall Co. Adopts "Empire" Name

Charles A. Hall, president of the Charles A. Hall Company, forwarding agents, has announced that the business is now being conducted as the Empire Freight Company of New York, Inc.

This is another step forward in the plans, published recently in *Distribution and Warehousing*, for a nation-wide operating system by affiliation of the various offices of the Empire Freight Company, Inc., in New York, Chicago, Los Angeles, Boston, San Francisco, Philadelphia, Portland, Ore., and Seattle.

Redman Heads Air Group

B. F. Redman, president of the Redman Fireproof Storage Co., Salt Lake City, has been appointed chairman of the new Inter-City Club Committee for Aviation.

Cold Storage Plant Proposed for Atlanta

Plans for a \$2,000,000 twelve-story cold storage warehouse have been completed in Atlanta by the United States Cold Storage & Warehouse Co., but their fruition will depend on whether the

More Barge Line Competition

THE Government warehouse of the Warrior-Mississippi barge line service at Holt, Ala., is being doubled at a cost of \$15,000. Says the *Birmingham Age-Herald*:

"When completed it will enable the barge service to store more than 30,000 bags of sugar and will greatly relieve the present congested condition."

"The terminal is the sugar distributing point for Alabama, Mississippi, Tennessee and parts of Georgia. The commodity is brought here from the Louisiana refineries and is stored preparatory to final shipment."

Meanwhile E. C. Horner and Edwin Bevins of Helena, Ark., have obtained from Secretary of War Good an authorization for expenditure of \$125,000 for construction, for the Inland Waterway Corp., of a warehouse and transfer terminal, for storage of grain, at Helena.

(See story on page 31)

State of Georgia, which owns the land on which it is purposed to erect it, will extend a lease. The site is that of the present Union Station, which is to be abandoned when a new one has been finished.

Rotary's "Gardner Poole Day"

Gardner Poole, Boston, a past general president of the American Warehousemen's Association, was honored by Boston's Rotarians on June 26, when he was their guest at a testimonial dinner on "Gardner Poole Day" on the occasion of his retirement as president of the local Rotary organization. He was presented with a replica of a desk once owned by Governor Winthrop of Massachusetts.

Daniel Heads Round Table

C. C. Daniel, president of the Central Storage Co. and president of the local Central Industrial District Association, has been elected president of the Club Presidents' Round Table.

Mr. Daniel is also one of the incorporators of the proposed new "University of Kansas City."

Decatur Firm Expands

The Decatur Warehouse Co., Decatur, Ill., has purchased for \$70,000 the fireproof building formerly occupied by the McClelland Grocery Co. at Morgan and Sangamon Streets. It has been occupying the structure for two years.

The annual Warehouse Directory is the recognized reference book of the industrial sales and traffic manager.

Reilly Buys Two Warehouses in New York

Final papers have been signed which transfer to Thomas Reilly, proprietor of the Broadway Storage Warehouse, New York City, two fireproof storage structures now occupied by the Audubon Fireproof Storage Warehouses, at 1926-1928 Amsterdam Avenue and 506-510 West 156th Street. The reported consideration was about \$300,000.

The Broadway company will occupy the newly-acquired properties next Jan. 1, but will not relinquish its present quarters, at 3243-3247 Broadway, until April 30, 1931. At that time Mr. Reilly will have been at his present address for twenty-one years.

Durant Ill in Paris

Douglas Durant, contact man for the Franco-American Packing & Storage Co., Paris, has been seriously ill, following an operation for appendicitis, in the American Hospital in the French city.

James H. Hoeveler, Pittsburgh, president of the Franco-American, was attending the National Furniture Warehousemen's Association convention at Mackinac Island, Mich., in July, when he received word of his associate's illness. Mr. Hoeveler notified in the family in Philadelphia, where Mr. Durant was formerly a newspaper man.

Smith Expands in Washington

Announcement is made by Arthur C. Smith, vice-president of Smith's Transfer & Storage Co., Inc., Washington, D. C., that the Central Storage & Transfer Co., Inc., of that city has been purchased. This adds a unit to the Smith chain.

The Central's warehouse is a brick semi-fireproof building. The company operated at 1132 Ninth Street, Northwest. It was established in 1925.

Reliable Builds in Oklahoma City

The Reliable Storage & Transfer Co., Oklahoma City, is building a two-story fireproof warehouse, representing an investment of about \$40,000, at 19 and 21 South Ellison Avenue. The firm has two other storage structures in the same block.

Merrick With Washington Terminal

Announcement is made by the Terminal Refrigerating & Warehousing Corporation, Washington, D. C., that Ernest M. Merrick has become associated with the firm as manager of perishable distribution.

Chelsea Addition Planned

Louis Schram, president of the Chelsea Fireproof Storage Warehouses, Inc., New York City, has purchased the plot adjoining the warehouse property at 426-434 West 26th Street and will erect an addition. The site measures 25 by 100 feet.



\$5485.00 COMPLETE

(F.O.B. FACTORY)

Ready to Go!

Built entirely by Gramm.

Prompt Delivery.

Complete Specifications — chassis and body on request. Write.

GRAMM MOTORS, INC.

BUILDERS OF FINE MOTOR VANS AND TRUCKS

General Sales Offices:

646-652 E. Woodruff St.,
TOLEDO, OHIO



Factory:

DELPHOS, OHIO

Also builders of the now famous Gramm Imperial Senior and Junior Van Chassis—the most outstanding, long distance performers on the road today. Write for stories of the users.

GRAMM

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Construction, Removals, Purchases and Changes

Alabama

BIRMINGHAM—Birmingham Southern Railroad Co. has plans for a \$30,000 one-story warehouse and freight station at 14th Street and First Avenue.

California

Los Angeles—Los Angeles Compress & Warehouse Co. has filed plans for a \$250,000 one-story addition, with 165,000 square feet of floor space, at San Pedro Harbor.

Los Angeles—Pioneer Truck & Transfer Co. has filed plans for a \$20,000 garage and service building, with mechanical repair shop, at 1005 Mateo Street.

Canada

Saskatchewan, Moose Jaw—MacDonald's Consolidated Warehouse, Ltd., is said to have authorized early rebuilding of the portion of its storage warehouse recently destroyed by fire with an estimated loss of \$150,000.

District of Columbia

Washington—Federal Storage Co. has completed plans for a \$175,000 five-story addition.

Florida

Lake Worth—Southeastern Ice & Cold Storage Co. will spend \$60,000 on extensions and improvements in its cold storage plant.

Illinois

Chicago—Arrow Transfer Co., 743 West Congress Street, has filed notice of company dissolution under State laws.

Chicago—Remer Storage & Van Co. has filed notice of increase in capital to \$150,000, from \$50,000, for expansion.

Peoria—Peoria Cartage Co. has filed notice of increase in capital to \$20,000, for expansion.

Indiana

Evansville—Evansville Warehouse Co. is erecting a brick, steel and tin warehouse, 100 by 127 feet, near Indiana Street and Lafayette Avenue.

Indianapolis—T. Daniel Jacobs Transfer & Storage Co. has completed a warehouse, 35 by 100 feet, at Sutherland Avenue and 37th Street.

Jasper—Jasper Ice & Cold Storage Co. has filed notice of company dissolution under State laws.

Iowa

Des Moines—White Line Transfer & Storage Co. is planning to rebuild the portion of its truck storage building which was recently wrecked by fire with an estimated loss of \$21,000.

Estherville—Red Top Transfer & Storage Co. has started the erection of a \$10,000 one-story brick and tile warehouse, 50 by 100 feet, with a private railroad siding.

Independence—M. S. Carver has

opened a general warehousing business on Fourth Avenue, Southeast.

Louisiana

Ponchatoula—Southern United Ice Co. has plans for a \$60,000 cold storage warehouse and ice plant.

Maryland

Baltimore—Monumental Storage & Carpet Cleaning Co. has approved plans for a \$70,000 one-story and two-story warehouse, 80 by 225 feet, on Windsor Avenue near Payson Street.

Massachusetts

Boston—New York, New Haven & Hartford Railroad Co. has filed plans for a \$25,000 warehouse and freight station at its Rugby Street yards.

Michigan

St. Joseph—Twin City Storage Co. has plans for a \$30,000 two-story warehouse on Langley Street near Broad Street.

Missouri

St. Louis—Columbia Terminals Co. has awarded a contract for the erection of a \$50,000 two-story warehouse, 115 by 150 feet, at 725 Biddle Street.

St. Louis—Southern Electric Terminal Railway Co. has preliminary plans for a \$1,000,000 eight-story and 12-story storage warehouse and freight and express terminal on High Street near Morgan Street.

Nebraska

McCook—Omaha Cold Storage Co. is considering constructing a \$25,000 one-story cold storage warehouse in McCook.

New Mexico

Albuquerque—Springer Transfer Co. has authorized plans for a \$150,000 three-story and basement warehouse, 100 by 150 feet, at Tijeras and Commercial Streets.

New York

Brooklyn—Waterfront Service Corporation is having plans completed for a \$2,000,000 eight-story warehouse with rail and water terminal facilities.

Buffalo—Buffalo Storage & Carting Co. has filed notice of increase in capital to \$250,000, from \$150,000, for general expansion.

New York City—Mercantile Warehouse Co. has filed notice of company dissolution under State laws.

Ohio

Cleveland—Neal Fireproof Storage Co. has opened its eighth unit, known as the Lorain-West Park branch, at 15145 Lorain Avenue.

Lorain—Cleveland, Cincinnati & St. Louis Railway Co. has awarded a general contract for the construction of a \$30,000 one-story warehouse and freight station.

Toledo—Great Lakes Terminal Warehouse Co. of Toledo has announced the appointment of L. M. Ashenbrenner as treasurer.

(Concluded on page 70)

New Incorporations

Within the Industry

Connecticut

BRIDGEPORT—Edgerton & Sons. Cold storage warehouse and transfer. Capital, \$50,000. Incorporators, B. C. Edgerton and A. C. Edgerton of Stratford and A. R. Edgerton of Bridgeport.

New Britain—Hardware City Storage Co. General warehousing. Capital, \$50,000. Incorporators, Edwin W. Schultz, Margaret J. Ramm and Grace M. Costello.

Delaware

Wilmington—Vitalized Ice & Cold Storage Co. Cold storage warehouse. Capital, 600,000 shares of no par value common stock.

Florida

Tampa—Standard Bonded Warehouse Co., Inc. Warehouse and transfer business. Capital, 50 shares, par value \$100 each. Board of directors, O. B. Meadows, A. F. Meadows and L. Allen.

Illinois

Benld—Cordera Transfer Co. Capital stock, \$10,000. Incorporators, Angelo Cordera, J. W. Rizzie, Benjamin Frasero and Frank Serverna.

Chicago—Auto Forwarding Co. Capital, \$5,000. Incorporators, George D. Pratt, I. Slavin and Henry C. Guillaume.

Peoria—Intercity Transfer Co. Capital, \$40,000. Incorporators, Charles W. Verkler, Clara E. Shaefer and A. W. W. Peyer, Jr.

Indiana

Indianapolis—United Transportation Co. General transportation business. Capital, 1000 shares of no par value stock. Incorporators, Leon Erlich, Harry Fuller, Harry Carr, Clifford Douglas and James Schooleff.

Kokomo—Kokomo Central Union Truck Terminal, Inc. Warehouse and transfer. Capital not stated. Incorporators, J. H. Becraft, owner of the Becraft Transfer & Storage Co., and G. E. Becraft.

Muncie—Service Trucking Co. General storage and transfer business. Capital stock, \$25,000. Incorporators, Dollie Henderson, Clarence Craig, Rollie A. Swift and Benjamin Garrett.

Terre Haute—Grand Trunk Terminal Warehouse Corporation (a Delaware corporation). General warehousing. Capital stock represented in Indiana, 1000 shares of no par value common and \$250,000 preferred.

Kansas

Wichita—Central Warehouse & Storage Corp. Capital, 100 shares of no par value stock and \$5,000 preferred.

Michigan

Escanaba—Thompson Transfer Co. Capital, \$24,000. Incorporators, C. M. Thompson, Thomas C. Thompson and William N. Arnold.

Grand Rapids—B. & M. Transfer Co.

(Concluded on page 70)

The WORK-TEST is a sincere offer to every MOTOR TRANSPORT COMPANY



Pictured above is one of the
Buick-powered Model T-60

WE offer your company any General Motors Truck (whatever available model, chassis or body most closely meets your requirements). We furnish gasoline and a man to accompany your driver, without obligation to you.

Put the truck into your haulage service. Find out whether it handles more work-per-day—and how much more. How much time it cuts off of any given route. How it adds greater safety in all traffic. Whether it enlarges the territory you can profitably serve. How your men like it. What its operating costs are—and how much it may save you there.

This test will give you accurate facts obtainable in no other way—facts instead of opinion or “hearsay.” It is a modern safeguard to wise truck investment.

Obviously only real value, real performance, make possible this unique offer—value and performance that are precisely what you would expect from trucks bearing this name.

* * *

PONTIAC-powered light duty equipment (7 types of different basic Straight Ratings; \$625 to \$1085).

BUICK-powered medium, and heavier-duty (33 types of different basic Straight Ratings; \$1395 to \$3315).

BIG BRUTE-powered for heaviest-duty (two types of 28,000 lbs. Straight Rating capacities; \$4250-\$4350).

(Note: Above prices chassis only
f.o.b. Pontiac, Michigan)

GENERAL MOTORS TRUCKS

GENERAL MOTORS TRUCK COMPANY, Pontiac, Michigan

Nation-wide service and sales-representation: Factory Branches, Distributors, and Dealers, in 1500 principal cities and towns

Time payments financed through Y. M. A. C. plan, at lowest available rates

GENERAL MOTORS TRUCKS
in the service of the
RED BALL TRANSIT CO.

“Largest Long Distance Household Movers in America”

“We use General Motors Trucks exclusively for Red Ball Transit Co. moving,” writes I. Grant Beesley, manager, “and have found them equal to every occasion demanding power and performance.”

“With reference to the operating cost as well as the maintenance per unit mile, we are more than pleased.”

“The General Motors Truck Model T-60 provides an ample, balanced loading space and insures the safe arrival of the contents regardless of road condition or distance.”

ALWAYS INVESTIGATE WHAT GENERAL MOTORS HAS BEFORE YOU BUY

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

New Incorporations Within the Industry

(Concluded from page 68)

Capital, \$2,500. Incorporators, John Botts, Henry Mersman and Elmer Jekel.

St. Joseph—Twin City Storage Co. Warehouse and storage business. Capital, 5000 shares of no par value stock. Incorporators, William E. Hatch, Willis E. Lafayette and F. Roy Clemens.

Minnesota

St. Paul—W. & D. Railroad Storage & Warehouse Co. (of South Dakota) has filed articles of \$50,000 incorporation in Minnesota for salvage and auction transactions. Incorporators, F. G. Orenstein and D. M. Barrett.

New Jersey

Bridgeton—Vineland Transfer Co. Capital, 2000 shares of no par value common stock. Incorporators, Charles E. Munyan, Walter J. Noble and Douglas V. Aitken.

Jersey City—Lackawanna Terminal Warehouses, Inc. Capital, 1000 shares of common stock. Representative, M. M. Stallman, Newark.

Newark—Atlas Warehousing & Distributing Terminal. Capital, 10,000 shares of common stock. Representative, George A. Henderson.

New York

Brooklyn—Daylight Storage Co. Storage warehouse. Capital, 100 shares of common stock, no par value. Principal incorporator, S. S. Hellinger.

Brooklyn—Eighth Street Warehouse, Inc. Storage warehouse and trucking service. Capital, 100 shares of no par value common stock. Principal incorporator, O. A. Samuels.

Buffalo—P. J. Garvey Carting & Storage, Inc. Warehouse and trucking service. Capital, \$20,000. Principal incorporator, W. O. Shields.

Long Beach—Long Beach Storage Warehouse Co. Capital, \$5,000. Representative, T. A. Kane, New York City.

New York City—Bronx Borough Moving Co. Capital, \$20,000. Principal incorporator, Abraham Kantor.

New York City—V. J. Irvale, Inc. Storage warehouse. Capital, \$10,000. Principal incorporator, Jacob Marx.

Penn Yan—Vanport Warehouse Corporation. Warehouse and trucking service. Capital, 500 shares of no par value common stock. Representative, Mann, Strong, Bodine & Wright, Rochester.

North Carolina

Winston-Salem—Central Storage & Forwarding Co. Warehouse and storage business. Authorized capital stock, \$100,000; subscribed, \$5,000 by R. L. Burgin, W. O. Burgin, Edith G. Burgin and others.

Ohio

Cleveland—Guaranty Transportation Co. General transportation and haulage business. Capital, 300 shares of no par

value stock. Incorporators, R. N. Gordon, Murrill J. Fischer and Florence R. Simler.

Elyria—Red Arrow Trucking & Storage Co. Storage and haulage business. Capital, 200 shares of no par value stock. Incorporators, F. G. Knapp, Flora Krugmann and R. F. Vandemark.

Toledo—Motor Freight Station Co. Storage and forwarding of freight and merchandise. Capital, \$10,000. Incorporators, F. C. German, C. H. Arnold and C. J. Kuhlman.

Pennsylvania

Allentown—Allentown Warehouse Co. Storage warehouse. Capital, \$5,000. Principal incorporator and treasurer, H. S. Haltzel.

Tennessee

Nashville—Swingley Warehouse Co., Inc. Capitalization, \$10,000. Incorporators, J. O. Swingley, M. P. O'Connor and Alfred T. Adams.

Texas

Corpus Christi—Crocker Transfer & Storage Co. Storage warehouse and trucking service. Capital, \$50,000. Incorporators, C. M. Crocker and J. W. Crocker. This was formerly the Patten Transfer & Storage Co.

Hebronville—Hebronville Ice & Cold Storage Co. Cold storage warehouse. Incorporators, G. C. Paker and C. C. Daniels.

Weatherford—Round Ice Co. Cold storage warehouse and ice plant. Capital, \$10,000. Incorporators, W. J. Lee, A. M. Lee and J. W. Rodgers.

Virginia

Richmond—Richmond Warehousing & Produce Co. Maximum capital, \$50,000. L. M. Williams is president.

Washington

Sunnyside—Roy Fitts & Co. General warehouse and cold storage business. Capital, \$10,000. Incorporators, Roy Fitts and J. C. Herberger.

New East St. Louis Warehouse Is Planned

The Mestmacher Moving & Storage Co., East St. Louis, Ill., is planning to erect a three-story household goods warehouse, 100 by 125 feet, to cost \$100,000, near its present location at 404-406 East Broadway.

Milo Bekins in Europe

Milo W. Bekins, president of the Bekins Van & Storage Co., operating household goods depositories in various Pacific Coast cities, sailed from New York, accompanied by Mrs. Bekins, on July 10 on the steamship Majestic. After two weeks in the British Isles and a motor tour of France and Switzerland, they planned to attend the Seville-Barcelona Exposition in Spain and to return to the United States about Sept. 15.

Construction, Removals, Purchases and Changes

(Concluded from page 68)

Oklahoma

Oklahoma City—Reliable Storage & Transfer Co. has approved plans for a \$45,000 two-story fireproof warehouse at 19-21 Ellison Avenue.

Tulsa—Federal Storage & Van Co. has awarded a general contract for the construction of a \$20,000 two-story and basement addition, 25 by 105 feet.

Oregon

Salem—Larmer Transfer & Storage Co. is erecting a garage, 200 by 60 feet, for the firm's trucks. The warehouse basement, which housed the vehicles, will be used for storage.

Pennsylvania

Philadelphia—Pennsylvania Railroad Co. will construct a \$250,000 one-story warehouse and freight station, 275 by 800 feet.

Philadelphia—Reading Co. has approved plans for a \$24,000 one-story warehouse on Magnolia Street near Chelton Street.

Tennessee

Nashville—Swingley Warehouse Co., Inc., recently organized, has opened a merchandise warehouse, with 160,000 square feet of floor space served by switching terminal facilities, on Clinton Street at 12th and 13th Avenues.

Texas

Brownsville—Jones Transfer & Storage Co. will erect a \$40,000 warehouse.

Corpus Christi—W. L. Pearson and associates have concluded negotiations for the purchase of the Corpus Christi Warehouse & Storage Co. for a reported consideration of \$200,000. Plans call for construction of a \$75,000 cold storage warehouse.

Dallas—Texas & Pacific Railway Co. is having plans drawn for a \$700,000 warehouse and freight terminal at Pacific Avenue and Good Street.

Fort Worth—Texas & Pacific Railway Co. will construct a \$1,500,000 eight-story and basement dry and cold storage warehouse, 100 by 600 feet.

San Antonio—Scobey Fireproof Storage Co. has plans for a \$400,000 seven-story cold storage warehouse, to contain about 155,000 square feet of floor space, fronting on the Missouri Pacific Railroad.

Washington

Tacoma—Pacific Terminal Co. has leased a \$300,000 four-story cold storage warehouse, 130 by 175 feet, with capacity of 1,000,000 cubic feet, to be erected on the waterfront by the City Port Commission.

Wisconsin

Milwaukee—Hansen Storage Co. is completing, and will occupy at an early date, a \$20,000 one-story addition.